

FBIS

DAILY REPORT

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18 Jun 87

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REAGAN SEEKS 'EXCUSE' TO ATTACK PERSIAN GULF

FL170336 Havana Television Service in Spanish 0000 GMT 17 Jun 87

[Text] Continuing its policy of interference in the region, Ronald Reagan's administration today told Congress that U.S. ships escorting Kuwaiti oil tankers in the Persian Gulf have been authorized to repel any kind of attack.

Last night, the White House sent Congress a secret report on plans to escort the tankers. The legislators asked the government for information because they feel uneasy about the situation in the area.

The U.S. TV network, ABC, said the United States is trying to increase the number of warships in the gulf.

Iran simultaneously warned of possible attacks on U.S. warships and Iraq said it would continue attacking naval targets in Tehran. In view of this volatile atmosphere, the Reagan administration is seeking an excuse to allow attacks as a response and increase U.S. control in the region.

LINKS BETWEEN PANAMA DISTURBANCES, U.S. ALLEGED

PA171908 Havana International Service in Spanish 2300 GMT 13 Jun 87

[Commentary by Nestor Nunez]

[Text] The disturbances that took place in Panama with prompting from business sectors and political parties lead one to think a plan organized outside of Panama and designed to force the country to veer away from its constructive Central American policy and its aspirations to recover the Panama Canal through the Torrijos-Carter Treaties exists.

The Panamanian popular press [as heard], namely, analyst Baltazar Aizpurua, reported recently on the rejoicing among the Panamanian oligarchy over a decision by a U.S. congressional committee to base economic and military assistance to Panama on a guarantee by President Ronald Reagan that the Panamanian Government is taking appropriate steps toward what they term free, honest, and clean presidential and legislative elections. The proposal, the source added, also demands certification of the honesty of the 1984 elections. This interventionist measure is undoubtedly one of the forerunners to the disturbances currently being provoked by the Panamanian right wing, with the express desire to change the country's policy, and particularly, to give Washington pretexts to attack the canal accords.

The comings-and-goings of Arthur Davis, U.S. ambassador to Panama, who is very fond of breakfasts and cozy meetings with those who have currently emerged as alleged leaders of the opposition movement, are not pure coincidence. The military movements at U.S. bases in the canal area, where 10,000 soldiers are on alert, do not seem accidental either. This is a serious threat to the independence of this small nation.

The business stoppage, which includes private banks and various businesses, did not receive any support whatsoever from the people, who, on the contrary, continued to support the government headed by President Eric Arturo Delvalle and the Torrijist principles.

The Reagan administration is maneuvering to stay in the canal area after the expiration date stipulated in the Torrijos-Carter Treaties. Evidently, the scandals being promoted by the Panamanian right wing are part of this policy. Not by chance has a phrase by a Panamanian private enterprise figure become famous. In commenting about the people's aspirations to recover the canal, he stated categorically: you cannot eat sovereignty. The evidence makes one's gaze turn toward Washington.

USSR POWER MINISTER TOURS CIENFUEGOS NUCLEAR PLANT

FL172210 Havana Radio Periodico del Aire in Spanish 1600 GMT 17 Jun 87

[Text] Anatoliy I. Mayorets, USSR minister of power and electrification, has stated in Cienfuegos the construction of the Juragua electronuclear central not only solves Cuba's electric energy problems but also becomes a forge for highly-qualified cadres.

The newspaper GRANMA quotes the statements issued by Mayorets, who is accompanied by Humberto Miguel Fernandez, first secretary of the party in Cienfuegos, and Marcos Portal, minister of basic industry; they are also members of the party's Central Committee. Mayorets was able to tour Cuba's project of the century and appreciate the nuclear reactors being built, the pump house, the industrial area, the nuclear unit, and the polytechnical installations.

DELEGATION ATTENDS NUCLEAR SYMPOSIUM IN JAPAN

FL161954 Havana Radio Reloj Network in Spanish 1824 GMT 16 Jun 87

[Text] Jose Felipe Carneado, member of the Communist Party of Cuba Central Committee, addressed the international symposium on the struggle to prevent a nuclear war and to eliminate nuclear weapons -- which is advocated by democratic forces -- currently being held in Tokyo, Japan. Carneado emphasized during the morning meeting that nations which advocate peace and nuclear disarmament must also join the efforts for development -- particularly the Third World nations. He also emphasized the need to allocate part of the developed nations' enormous military budgets to alleviate the dramatic economic problems which afflict poor nations. Carneado leads the Cuban delegation to the forum sponsored by the Communist Party of Japan, attended by representatives from 30 parties and organizations from Europe, Asia, Australia, Africa, and Latin America.

FOURTH CEMA MACHINE BUILDING MEETING HELD

FL152120 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Jun 87

[Report by Virginia Maria Pineiro]

[Text] Pedro Miret, member of the Communist Party of Cuba Politburo, welcomed the delegates to the fourth meeting of the CEMA Committee for Machine Building which began today at the Palace of Conventions in Havana.

Miret referred to the importance of this meeting, during which they will analyze scientific-technical cooperation among the CEMA member countries in the manufacture of equipment, machinery, and spare parts used to drill for oil, gas, and solid minerals.

The delegates will also analyze the measures adopted to use our energy sources in a rational and economic way up to the year 2000. The meeting will conclude on 18 June and will include the participation of experts from Bulgaria, Hungary, the GDR, Poland, Romania, Czechoslovakia, Cuba, Vietnam, Mongolia, and the Soviet Union.

RODRIGUEZ MEETS INTERNATIONAL SUGAR OFFICIAL

FL111346 Havana Radio Progreso Network in Spanish 1100 GMT 11 Jun 87

[Text] Carlos Rafael Rodriguez, vice president of the Council of State and the government, has received in Havana the executive director of the International Sugar Organization, (Alfredo 'ar).

The two officials exchanged opinions on the organization's activities, the situation of the sugar market, and negotiations for a new international sugar agreement of an administrative nature for the current year. They also discussed the potential uses of sugar derivatives, the situation of underdeveloped sugar-exporting countries, and the need to strengthen international cooperation.

CENTRAL AMERICAN SUMMIT POSTPONEMENT VIEWED

'Coincidence' of Habib Tour

PA172144 Havana International Service in Spanish 0000 GMT 14 Jun 87

["Focus" on commentary by Beatriz Padron]

[Text] Only 1 day after Philip Habib, the special U.S. envoy for Central America, ended his tour in the region, Costa Rican Foreign Minister Rodrigo Madrigal announced the cancelation [as heard] of the Central American summit, scheduled to take place in Guatemala City on 25 and 26 June.

In what constitutes an unequivocal expression of blind obedience with which Salvadoran authorities obey Washington's demands, Jose Napoleon Duarte, head of the Salvadoran regime, quickly tried to justify the postponement of the summit by arguing the lack of a preliminary document drafted by area foreign ministers on the so-called peace plan of Costa Rican President Oscar Arias would make the summit fail.

The Honduran Government displayed a similar position in support of U.S. plans to hinder Central American dialogue when it canceled a ministerial conference, which was scheduled to take place before the presidential summit, 1 day before it was scheduled to take place. That government claimed an alleged lack of coordination.

Local analysts agreed in describing the delay of the Guatemalan summit as very grave. That summit has special importance because it would bring the five Central American heads of state together for the first time to discuss a common project that constitutes an option to bring peace to the area, although it does not have as much reach as the Contadora Group.

The Nicaraguan Foreign Ministry pointed out the strange coincidence between the suspension of the Central American summit and Habib's tour, who, in keeping with Washington's policy against any negotiation attempt at the regional level, pressured U.S. allies El Salvador and Honduras to sabotage the summit.

In this regard, Nicaraguan President Daniel Ortega will hold a news conference at the National University of Managua -- a meeting which actually already took place, according to news carried in our newscasts. During that meeting, the Nicaraguan president said his country will continue to make preparations toward the presidential summit because he has not yet been appropriately advised of the suspension.

Boost for Contadora Process

PA172249 Havana International Service in Spanish 0000 GMT 16 Jun 87

[Commentary by Nestor Nunez]

[Text] The Contadora and Support Groups' negotiation process was beefed up in the past few hours when it was reported that because of U.S. Government pressures, the Central American summit meeting scheduled to be held in Guatemala on 25 and 26 June to analyze the so-called Arias plan for the region was suspended.

Conceived as an anti-Sandinist plan and even drafted in the United States, the Arias plan includes some features harmful to Washington's hegemonic policy; specifically, a request to stop the operation of unconventional groups, the cessation of military exercises in the area, and the withdrawal of foreign forces. Washington is attempting to change all of these aspects.

An AFP report datelined in San Jose said that the cancellation of the summit meeting coincided with U.S. Ambassador Philip Habib's tour through the region. Habib voiced his concern over signing in Guatemala a document which would not take into account U.S. security. El Salvador and Honduras responded to Habib's pressure at once. Salvadoran President Jose Napoleon Duarte said at least four foreign ministers meetings would be necessary prior to a summit meeting.

The most important conclusion to be drawn from this sea of contradictions and pressures is undoubtedly the Central American governments are highly vulnerable to the White House's inquisition-like policy, a factor that does not have major effect in the case of the Contadora and Support Groups. Hence the initial idea of this note regarding the increased prestige of the two groups in view of the misfortune of a political action which includes only the mobilization of the Central American official sectors, many of which are deeply committed to the U.S. Government, as the reluctant postures of El Salvador and Honduras indicate.

Nicaragua, the exception in the area, recently said the Arias plan could not be viewed out of the context of the Contradora and Support Groups, which enjoy broad international support not yet accorded the Costa Rican plan. Therefore, the suspension of the Guatemala meeting again indicates the destabilization role in Central America played by the U.S. Government from the White House.

'Little Hope' in Costa Rica

PA180314 Havana International Service in Spanish 2300 GMT 15 Jun 87

[Report by correspondent Rafael Ugalde in San Jose, Costa Rica]

[Text] The boycott declared on the peace initiative of President Oscar Arias, whose peace plan was to be reviewed at the end of the month in Guatemala, has been cause for concern in political circles in this capital. Costa Rican authorities have little hope for the Esquipulas meeting, now scheduled for the month of August, according to the Costa Rican Foreign Ministry. The United States will once again sabotage any peace initiative that does not conform to its interests in the region, including the overthrow of the Sandinist government in Nicaragua.

In that regard, it has been officially reported here, Philip Habib, the U.S. special envoy for Central America, in his recent tour to the area questioned some points of the Arias peace plan. He specifically made reference to the exit of military advisers from the isthmus, the suspension of contra aid, the democratization process, and the suspension of military maneuvers in the area, in which the White House, El Salvador, and Honduras have been involved.

Some local news media that had said Nicaragua was the main obstacle to the achievement of peace in Central America stated the sabotage of the peace plan was unfair. Other sectors, very much linked to the White House, as is some news media in this capital, have believed the Arias peace plan, as it is currently written, is unacceptable to El Salvador.

At any rate, in this capital, as well as in Honduras and El Salvador, there is talk about big changes to the Arias peace plan that could commit Nicaragua even more under the terms demanded by Washington.

It seems this is the way the White House pays the efforts of its Costa Rican ally.

NICARAGUAN OPPOSITION GROUP DOCUMENT CRITICIZED

PA171624 Havana International Service in Spanish 2300 GMT 13 Jun 87

["Our America" commentary by Manolo Ortega]

[Text] The groups that oppose the Sandinist revolution -- invariably supported by Washington -- are promoting internal political actions to portray themselves as a force that must be taken into account when the Nicaraguan problem is reviewed. Actually, this involves emphasizing one of the two destabilizing variables set into motion by the White House, while in the military field -- imperialism's mainstay -- the blows sustained by the mercenaries reduce their brutal actions to the level of defeat.

The plan against the Sandinist revolution is promoting a dirty war and political confrontation; the latter is carried out by oligarchy sectors in the clergy and extreme right-wing groups concentrated in organizations like the so-called Nicaraguan Democratic Coordinating Board [CDN]. At a moment when the armed contra movement is on the decline, the small groups of the so-called Coordinating Board are attempting to open a space for themselves in national life and to create conflict over revolutionary plans to improve the country's situation.

We will refer specifically to a document issued by the CDN -- which by the way, represents 1 percent of the country's political spectrum -- that seeks to give the church leadership and groups of former Somozist guardsmen the right to supervise the amnesty the local government is planning. This undoubtedly implies this organization, which contains the most right-wing sectors in Nicaragua, has been charged with the responsibility of becoming the official spokesman of the counterrevolutionaries at a moment when reaction is suffering serious setbacks. Until now, the role of official contra spokesman was granted on a priority basis to Cardinal Miguel Obando. However, revelations on the primate's links with the Irangate scandal may have tarnished his public image. According to revelations by various people involved in the affairs, Obando Bravo received a portion of the dollars obtained for the mercenaries through the illegal sale of U.S. arms to Iran.

This possible internal change does not affect the specific counterrevolutionary contention: For the CDN, as well as for other spokesmen, the popular government is the principal culprit in the situation that prevails in Nicaragua, and this is confirmed in the latest statement by this purported political organization. The big omission made by the CDN, however, is the reality the people do not ignore and which makes their beliefs firmer: The war was imposed by Washington and the problems the country is experiencing have their roots in violence imposed from abroad, which has already claimed 40,000 lives and property damages of \$2.8 billion. Following that line, everything indicates whoever the purported political spokesman of the counterrevolution may be, his hysterical screams find absolutely no echo in the masses.

CEREZO 'NOT READY' TO END POLITICAL CRIMES

PA180052 Havana International Service in Spanish 2300 GMT 15 Jun 87

["Our America" commentary read by Manolo Ortega]

[Text] The more than 3 decades of violence in Guatemala seem to have no end, despite President Vinicio Cerezo's initial statements he would fight political crimes. On the other hand, reports indicate in the first months of 1987, the levels of violence and deaths surpassed the figures of 1985, a short time before the civil government was in power.

The weekly INFORPRESS CENTROAMERICANA, published in Guatemala, stated between February and April 1987, 404 cases of assassinations, kidnappings, and torture were reported, cases which did not cover 90 deaths inflicted by the Army.

The conclusion is obvious. The spiral of violence, which has nothing to do with cases of delinquency, makes people think about the return of the repression that prevailed before January 1986, when Cerezo was sworn in as president of Guatemala.

The escalation of political violence adversely affects mainly Guatemala Department, that is, the territory in which the largest number of soldiers and police is located, even though one of the civil government's promises was to end such irrational actions, which at first resulted in a decrease in the number of death squad activities.

Some observers have blamed violent deaths on the increase of crime, and they have even mentioned the presence of foreign advisers in the country to organize fighting groups against crime as well as the recent donation by the FRG of police vehicles to fight crime. However, such reasoning does not convince human rights groups that each day come up with more proof political motives are the cause of the majority of crimes committed in that Central American nation.

Moreover, the characteristics of the present violence are not different from those which marked the activities of the death squads. For example, most victims are stabbed to death and their bodies are frequently mutilated.

While the national situation demonstrates these human rights violations, Guatemalan Interior Minister Juan Jose Rodil insists emphasis should be placed on crimes of a delinquent rather than a political nature.

Regarding Vinicio Cerezo's attitude, Argentine journalist Gregorio Selser provided a description that could best end this analysis: At a distance and from the summit, the commentator states, Cerezo fluctuates between a persistent silence and a weak denial of the continuation of political crimes, which shows he is not ready to put an end to them, because the repressive apparatus has not been dismantled.

SOVIET CAMERA INSTALLED FOR GEODESIC STUDIES

FL170158 Havana Television Service in Spanish 0000 GMT 17 Jun 87

[Text] The advancement of science and technology is indispensable for the development of our society. An example of this can be found in the FAR's Comandante Camilo Cienfuegos Artillery School where a Soviet-made AFU-75 camera was installed several days ago.

The equipment will be used to observe passive and active artificial land satellites. The purpose is to conduct geodesic studies on movement on the earth's crust, satellite orbits, and to identify points on the earth's surface.

When the camera becomes totally operational, it will become part of the Intercosmos Program.

The Soviet Union has provided important support in the training of the scientific personnel, who will work with the AFU-75.

The camera also has a domestic use by providing cadets with practical experience in geodesic studies. The technology is highly sophisticated. There are two cameras of this type in our country; one is in Santiago de Cuba and this one is in Havana.

The cameras require extensive scientific-technical knowledge for their operation and they are among the first live to be installed in Latin America.

NEED TO IMPROVE QUALITY OF EXPORTS VIEWED

PA040451 Havana International Service in Spanish 0000 GMT 4 Jun 87

[Nestor Nunez commentary]

[Text] Manuel Estefania, the vice minister of foreign trade, has reported the need to raise the quality of Cuban exports should be a constant concern to the workers who produce them. Everything indicates serious losses have been sustained because certain products, destined for international markets, lack adequate finishing or presentation. In addition to the economic losses, this constitutes an unacceptable undermining of the nation's pride and prestige.

Estefania added it is unacceptable that, for example, more care is not taken in the production of textiles destined either to be sold as yardage or to be used in the manufacture of garments when we have signed export agreements that specify we must deliver 15 million linear meters of textiles to our buyers this year.

Of course, the negligent workers cannot use the excuse they do not know the final destination of the product for which they are responsible because the local market also demands quality, which shows respect for the public. Actually, we need to be stricter in technological discipline to attain total reliability as producers, not only of exports but also of products for local consumption.

In capitalistic societies, private industries, spurred by the desire for profits, insist products have adequate finishing and presentation as a mechanism for promoting sales. In socialist societies, obtaining a highly finished product of high quality involves conscientiousness and a sense of responsibility, since the benefit is a social one and thus requires discipline, respect for the consumer, and a clear concept of collectivism.

COMPANIES FINED FOR SQUANDERING ELECTRICITY

FL172000 Havana Radio Reloj Network in Spanish 1826 GMT 17 Jun 87

[Text] Seven companies in Camaguey Province were fined in May because they consumed excessive electricity during peak hours, from 1800 to 2200. The Camaguey companies paid a fine in excess of 5,000 pesos to the state. Among the penalized companies are the Dominican Republic, Sibonbey, Alfredo Alvarez Mola, Batalla de las Gusimas, and Candido Gonzalez Mills, and the Camaguey Dairy Company. The fine imposed on the center which exceed the consumption of electricity during the peak hours in May seeks a better planning of the service from 1800 to 2200.

TWO FISHING VESSELS FIND MARIJUANA CARGO

FL171735 Havana Tele-Rebelde Network in Spanish 1100 GMT 17 Jun 87

[Text] The Interior Ministry has released the following report. On 15 June, 1987 at exactly 1648 hours, the Atun and Cayo Largos, fishing vessels from Punta Alegre fishing unit in Ciego de Avila Province, saw a white twin-engine plane flying at low altitude. When the plane got close to them, it dropped on the water packages with unknown contents. Because of this, the Cuban fishermen decided to stop their activities, recovered the packages containing 22 bales of marijuana weighing approximately 1,452 pounds, and immediately notified the Cuban authorities. The authorities received the cargo and incinerated it, in accordance to legal procedures established for such cases.

HAITIBNDAL, 'AMERICAN PLAN', AGRICULTURE DISCUSSED

FL171246 Port-au-Prince Radio Inter in Creole 0100 GMT 11 Jun 87

[Discussion involving unidentified interviewer with the participation of (Ariston Gilles), member of the National Agricultural and Industrial Development Bank Employees Association; engineer Herold Anglade; and agronomist Gerald Alexis. Participants not individually identifiable; date and place not given -- recorded]

[Text] [Announcer] There are documents circulating saying the National Agricultural and Industrial Development Bank [Banque Nationale de Developpement Agricole et Industrielle -- BNDAL] is going to be shut down. There is a document in English which, according to the members of the BNDAL Employees Association, should be addressed to the Haitian Government but is instead going to be sent to foreigners overseas saying: Here's what we are going to do. The employees are wondering what is going on.

(Ariston Gilles), who is a member... [corrects himself] that is, as agronomist... [leaves thought unfinished] (Ariston Gilles), who is a member of the BNDAL employees association; engineer Herold Anglade; and agronomist Gerald Alexis are going to discuss this matter with us, and we will pass it on to you.

[Interviewer] [words indistinct]

[Unidentified first speaker] Nobody knows. But first let's try to see how important the institution is. You must understand there is a plan for Haiti. There is the American Plan for Haiti. Some people say it doesn't exist; others say it does [words indistinct].

[Interviewer] You mean, they say the Haitians are making it up, are dreaming, are...

[First speaker interrupting] Yes, that's right. They say we're freaking out, that we're imagining there is an American Plan to save Haiti. But I don't (?think) the plan is capable of saving us. We must look carefully, ever since the pig business, OK? I've got data that is perhaps different on the pig issue, to show you they are trying to make a transfer toward a much wealthier agricultural producer. For example -- I'll have to approach the pig problem from another angle -- their main objective in the pig issue was, or is, the big pig-raising operations, two big suppliers -- one in the north and one in the south. One in the Miragoane area; the other around Port Dauphin with, as home base, as a kind of dispatch base, Port-au-Prince or Miragoane, and (Fayton).

They were going to give the small producer a pig whose cost he doesn't know. They would give him food, medicine, and a little pig for him to raise, and they would buy that pig back from him. The person who brought this project to Haiti was a certain Mr (Culp), a Canadian of English origin. He approached the Agricultural and Industrial Development Institute [Institut de Developpement Agricole et Industriel -- IDAI] with the project. It was he who submitted the dossier to IDAI. We Haitians tried to analyze it. We told him the peasants are not interested in raising pigs for bigshots [words indistinct] first time, second time, third time [words indistinct].

But the same goes for agriculture and for food production -- the same thing is going to happen. What exactly is going to happen? Well, there will be a sort of transfer, a sort of flow from the small producers in the direction of the large producers. That is, everyone producing... [changes thought] It is the large producers who are going to produce. The small producers are going to be pushed aside.

They are going to do something much more serious to the small producer. They are going to try to pull him out by the roots -- to uproot him in order to fight him on a cultural level -- because he is immediately going to lose all his motivation. He won't be able to hold out any longer, and thus, the country will lose.

But there's something else we must note. Once they uproot, they are going to reassemble the land. If they regroup the lands, the bigshots will be able to produce what the Americans need -- raspberries, broccoli, salsify -- all the yucky vegetables...

[Interviewer, interrupting] Cucumbers...

[First speaker, interrupting] Vegetables, all the yucky cucumbers, all the yucky fruits foreigners like. That's for sure! And they're going to produce passion fruits too, for export. All of that... [changes thought] They need cotton so they can do subcontracting cheaply in Haiti. That's what the American Plan is all about. At the same time...

[Unidentified second speaker, interrupting] [Words indistinct] regrouping, about how they're going to regroup lands.

[First speaker] OK, well, that means the bigshots who are going to buy land will be able to buy the land the small farmer is going to abandon when he leaves for the city. In that case, instead of having, say, five karo [Haitian unit of measure] of land on which to plant, he will be able to farm on 10, 15, 20 karo. At the same time, they can introduce means, a kind of technology that... [changes thought] They'll make us look much more (?continentalized). I mean, like more highly civilized people.

[Second speaker] So you think that even people with 3 or 4 karo of land -- they will take that land away from them too?

[First speaker] I didn't say "take". I said the small producer will have to... [changes thought] They'll make him pull up his roots. They will eliminate him from the scene, and he will be forced to sell, because if...

[Second speaker, interrupting] They'll put him in a position where he'll be forced to sell?

[First speaker] Yes, he'll have to sell.

[Unidentified third speaker] Well, you're already there, Filo [journalist known as Kompe Filo] because, take this business of the rice, for example; or the bean business, and [words indistinct]. So if you think about it, a guy who had two karo of land planted in rice, these days, what with the (?flow) of rice on the local market, a guy like that... [changes thought] If he is inactive, he may as well sell rice [words indistinct] in order to take a boat to Miami, he'll take a boat to Miami.

Or else he'll get into some other activity that's even more worse for the country. He'll go cut down trees and sell for making charcoal -- stuff like that. So, it's all the same -- to follow up on what he's saying.

[Interviewer] So, even though the BNDAI wasn't really what the peasants needed; even if BNDAI was reproached for having made loans at... How do you say that? [someone answers: "to the bigshots"]

[Interviewer] At very high interest; you feel BNDAI was nevertheless useful?

[First speaker] There again, we say BNDAI reflects the system in which it operates. But it reflects...

[Interviewer, interrupting] Hmmm. But is any effort being made within BNDAI to reject the system in which it is operating?

[First speaker] But if one is operating within a system, one is obliged to [words indistinct] the system, certainly. Of course, we cannot make an effort because the effort is not up to us. First, a policy effort must be made; a production policy, a policy of agricultural production, of industrial production, a policy of agriculture credit, knowing what you want -- you understand? That's the kind of effort that must be made before anything else -- even before we ask the executing institution to apply any particular policy.

[Interviewer] So, you just heard what's going on. They say it's up to the leaders to decide, to formulate a serious policy, a coordinated development policy, and then BNDAI would agree to that policy.

What these BNDAI employees are concerned about is a number of loans that people who are influential under Duvalier -- and there are many, many who possess weapons and (?women) and are still there today, getting along, owning businesses... [changes thought] It looks as though if the BNDAI closes, these gentlemen will seize the opportunity to not repay the government, to not repay the Haitian people, you see, for the property, the money they borrowed -- which is not money they should have used, but rather money which should have been allocated to the small farmers, to the peasants, who were unable to get that money. So the employees are wondering what is going on. They are going to take advantage of the closing of the BNDAI to also close these files.

So these employees are concerned with defending their interests and defending those dossiers, defending all the different interests of the Haitian people in connection with BNDAI.

ELECTORAL COUNCIL HOLDS NEWS CONFERENCE

FL171314 Port-au-Prince Radio Haiti-Inter in Creole 0100 GMT 16 Jun 87

[Excerpts] The Provisional Electoral Council [Konsey Elektoral Pwovizwa -- KEP] held a news conference Monday morning, 15 June, at the Legislative Palace on the Bicentenaire. The purpose of the news conference was to maintain close contact between the KEP, the press, and the public. At the start of the news conference, the following question was asked: Is the national Government Council [Konsey Nasyonal Gouvenman - KNG] spurning the KEP.

The KEP members who addressed that question were reluctant to describe the KNG's behavior toward the KEP. Does the KNG scorn the KEP? The KEP members were reluctant to call it scorn, since they don't know what is (?actually) going on in the government's head. They preferred to say that they figure the KNG must have its own valid reasons for not yet answering them and for not yet publishing the electoral law. [passage omitted] So the KEP members are waiting, and they think there are patriots within and around the KNG who are going to end up seizing the government by the horns and leading it onto the constitutional path. [passage omitted]

The KEP is going to need \$7,441,000. They may receive money and other things from foreign countries -- or rather, from foreign organizations -- but they must be received and distributed by the government, the KEP said. Compatriots who would like to donate something to the KEP should not expect anything back from the KEP. It is a matter of making a donation to the country and forgetting about it.

It was also announced at the news conference that elections for Administrative Councils for Communal Sections [preceding name in French: Counseils d'Administration des Sections Communales -- Casec] and for magistrates cannot be held -- because it is too late right now. There are too many things that should have been done by now which have not yet been done; so elections for the Casec and for magistrates will not be able to take place in July in accordance with the KNG's electoral calendar. [passage omitted]

KONAKOM URGES UNITY 'TO CHANGE THINGS'

FL161744 Port-au-Prince Radio Haiti-Inter in Creole 0100 GMT 11 Jun 87

[Text] Do you remember the fuss regarding Serge Desroches and (Nixon Sainte) -- the two men under arrest and about whom there have been many communiques, protests, and expressions of solidarity? -- the National Committee of the Congress of Democratic Movements [Komite Nasyonal Kongre Mouvmman Demokratik Yo -- Konakom]. [sentence as heard] The Konakom and all the other political and religious forces that rose up (?throughout Haiti) to achieve the victory of the 29 March (?congress) made a historic commitment to defend the Constitution of 1987 [passage indistinct] for any old job, and they would take them and (?fire) them. That is how, throughout the Duvalier regime, they treated the members of the Armed Forces [words indistinct]. As a corollary of such disorder, many members of the Armed Forces were forced to [words indistinct] murder their brothers-in-arms in order to be promoted or even allowed to remain in the Army. The Tontons Macoutes were also a great source of distress to the Haitian Army. We of the Konakom, who are struggling to increase the prestige of all of Haiti's institutions, are pleased to see that under the Constitution of 1987, a member of the Armed Forces, (?like any) professional -- engineer, doctor, lawyer, tailor, cabinetmaker -- need no longer grovel or sell out his conscience for any dictator, for any vendor of fatherlands who does not govern in the national interest.

All patriotic officers and enlisted men and all civilian patriots must struggle hand in hand to change the old, makout face of all of Haiti's institutions. With respect for the Constitution and for just laws, and in a cooperative effort, members of the Armed Forces and civilians, we must push up our shirtsleeves and seriously get to work putting Haiti on an equal footing with other countries. We must together denounce Corporal Lubin's vile act against citizen Luc Laurent in Desarmes. Lubin must be brought to trial in a civilian court in accordance with Article 42-3 of the Constitution. Now that the Constitution is in effect, neither military nor civilian patriots can accept the base arrest without a warrant of Serge Desroches [words indistinct] in the Artibonite, nor the humiliation of singer Farah Juste. We are asking for the freeing [words indistinct].

The struggle for a truly autonomous university in Haiti is the business of all patriotic Haitians. Konakom supports all efforts by Feneh [National Federation of Haitian Students] to root out [words indistinct] who want to compromise the country's future. In a solidarity effort together with all democratic forces -- whether peasants, unions, industrialists, clergymen, members of the Armed Forces -- Konakom reiterates its determination to struggle to achieve a unity that will be historic, so we can set up a country in which citizens respect the rights of their fellow citizens.

With heads together squarely in place, we are going to change things.

Well, this afternoon they released Serge Desroches and (Nixon Sainte), about whom you just heard the Konakom communique -- the communique in which they asked earnest, honest, patriotic members of the Armed Forces to find a way to do away with that Machiavellian stuff -- for members of the Armed Forces to stop debasing themselves.

Well, Komple Plim has told us he learned Serge Desroche and (Nixon Sainte), who had been arrested in Petite Riviere de l'Artibonite, were released this afternoon.

JAMAICA

AGREEMENT BRINGS FINANCIAL AID FROM FRG

FL151420 Bonaire Trans World Radio in English 1130 GMT 15 Jun 87

[Text] A West German economic aid team left Kingston, Jamaica Saturday at the conclusion of an agreement that will bring Jamaica financial aid. (Volker Duclawd), first secretary at the West German Embassy, said that Jamaica would continue to be Bonn's major recipient of aid in the Caribbean. Over the next 2 years West Germany will provide \$21.8 million in loans at 4.5 percent interest with a 20 year repayment period. In addition, Jamaica will get \$4.3 million in technical assistance.

TRADE UNIONS REJECT SEAGA'S WAGE OFFER

FL161356 Bonaire Trans World Radio in English 1130 GMT 16 Jun 87

[Text] Five trade unions representing more than 20,000 Jamaican Government employees have rejected the latest government offer for new 2-year labor contracts. The government of Prime Minister Edward Seaga offered government employees 2-year labor contract calling of [as heard] 9-percent increases in hourly wages and fringe benefits. The unions have demanded a minimum of \$18 a week in the first year and \$16-a-week raises in the second year of the pact.

PAN SUSPENDS VILLA ESCALERA FOR CONTRA LINK

FL151240 Mexico City NOTIMEX in Spanish 0551 GMT 14 Jun 87

[Text] Mexico City, 13 Jun (NOTIMEX) -- The opposition National Action Party (PAN) has decided to suspend the membership rights of Ricardo Villa Escalera for 2 years. This was announced by the party after discussion of the report put out by the special commission assigned to study the case.

The decision, the PAN added, was taken because Villa Escalera committed a serious breach of discipline -- in assuming powers belonging to the PAN's National Executive Committee in matters of international policy, although he never acted as its representative.

PAN indicated that although it had not been proved nor could be proved in future that Villa Escalera or the party undertook to collect funds for a public relations campaign on behalf of the Nicaraguan contras, it was decided nevertheless to suspend his rights.

NOTIMEX VIEWS PRESIDENT'S THESIS ON DEMOCRACY

FL171920 Mexico City NOTIMEX in Spanish 1511 GMT 16 Jun 87

[Editorial by Juan Manuel Rodriguez: "Democratic Renewal and Militant Changes"]

[Text] Mexico City, 16 Jun (NOTIMEX) -- Some of the seven theses President Miguel de la Madrid launched during his political campaign specifically referred to a renewal and overall democracy; and he has insisted on them not only in his official speeches but also through specific everyday actions. Nevertheless, this enormous task cannot be achieved within 6 years, and it cannot be declared fulfilled or abandoned all of a sudden either.

There is a consensus that, given the changes which have taken place throughout the world, Mexico must be modernized through a renewal only possible within an overall democracy.

The president reasserted his theses last week by stating that democracy must be strengthened and the nation must be renewed to become part of the modern world. De la Madrid addressed the new directorate members of the Civil Engineering Colleges' Federation and said democracy should not only occur during elections; and it cannot be the exclusive responsibility of federal, state, or municipal officials. Instead, democracy should be sought by every sector: family, school, labor union, community, cooperative, etc, to attain an overall democracy.

Fidel Velasquez has already stated in Zacatecas, on behalf of the labor sectors, that deep changes are urgently necessary. Fidel Velasquez said: The old models of our society have been left behind. He demanded changes in our society and said these changes should not be carried out according to the business sector's requests -- which only represents a change of tactics -- or certain politicians' requests -- which only seek to amend the constitution without taking into consideration the proletariat's viewpoints. The 87-year-old CTM [Confederation of Mexican Workers] leader categorically said: We reassert that society should carry out an overall change and we must abolish our current social, juridical, economic, and social structures to attain this.

PRI members have also advocated the quick changes which are necessary in the country. Certain members give more importance to issues concerning the presidential succession -- judging from the timing, presentation, and contents of their speeches -- and disregard issues concerning a broader democracy and the Mexicans' way of life. Party members insist that a real democratizing movement is necessary for the party and one of the main struggles has been the quest for democratization -- which is now reasserted by President Miguel de la Madrid's theses.

The ostrich policy was first used concerning the movement -- in other words, ignoring it. But now an avalanche of statements had demanded the expulsion of those who lead the movement. Perhaps they forget that this measure gives these leaders more strength than they really have and forces many PRI members -- who honestly believe that changes are necessary -- to become involved in a movement that would really favor a division within the party.

A renewal is taking place and the movement demands that the presidential designee [dedazo] and secret candidate [tapado] be abolished. The people are witnessing how this matter is openly discussed throughout the country and the names of those involved are being revealed. The country demands changes but -- this was stated on Thursday by Government Secretary Manuel Bartlett -- these changes must be made by the workers, by the Mexican people, and not by their leaders.

The official reasserted the need to reorganize our economic activities and to strengthen our institutions; and to revitalize the system to change the society and thus be able to advance without delay along the route the revolution has outlined for our development. The changes must take place to transform our society with durable solutions that will allow us to recover the capacity to strengthen our system and our own society.

RAINS REPORTEDLY CAUSE LANDSLIDE IN CITY SUBWAY

PA161547 Mexico City XEW Television Network in Spanish 1300 GMT 16 Jun 87

[Text] The heavy rains that have been falling in Mexico City have caused a landslide at the construction site of the subway, between Insurgentes and Baja California Streets. A crane and an elevator crashed through a tunnel. Until now, it is not known if anyone is trapped under the heavy equipment.

The media have encountered problems in carrying out their duties. Access to the area was blocked by (COMETRO) enterprise personnel. Three units of the Red Cross that tried to help any possibly injured persons were not allowed in. An official, who did not wish to be identified, said this was only a drill. [sentence as heard]

Meanwhile, the city's fire department reported that there were floods in the Condesa and Magdalena Contreras residential districts, in the Miguel Aleman Viaduct, and in Santa Marta Acatitla.

In some areas, the waters rose up to 1 meter. No casualties have been reported as a result of the floods. [sentence as heard]

LAT 18 Jun 87

CENTRAL AMERICA
BELIZE

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GOVERNMENT DENIES TORTURING SALVADORANS

FL032136 Bridgetown CANA in English 1915 GMT 3 Jun 87

[Text] Belmopan, Belize, June 3, CANA -- The Belize Government has denied allegations by Amnesty International that police had tortured three Salvadoreans on kidnapping charges. Amnesty, a London-based human rights organisation, protested the treatment of the prisoners in a letter sent to the government in March.

The three Salvadoreans, Isabel Valles, Juan Calles, and Isidro Llanes, were arrested and charged with kidnapping and blackmail as a result of the abduction of an Orange Walk Town businessman, Eloy Escalante.

Amnesty complained that they were allegedly tortured during interrogation by the police; that one suffered a broken jaw while another suffered from huge swellings in various parts of his body as a result of being beaten by the police. The complaint made by Amnesty International also alleged that the prisoners were refused medical attention and access to legal counsel.

But foreign minister, Dean Barrow said that the government investigations into the matter did not support the charges made by Amnesty International. Mr Barrow also said that the prisoners were seen by two attorneys and that they were examined by a medical doctor, who found no broken bones. Barrow however added: The Belize Government conceded that the conditions under which the prisoners were held were less than acceptable standards and in an overcrowded prison situation for too long a period.

The Belize Foreign Minister also commented that we accept that the action taken by the police was less than acceptable in this context and the situation was totally abhorrent.

GOVERNMENT 'PUTTING BRAKES' ON REFUGEE ENTRY

FL102005 Bridgetown CANA in English 1905 GMT 9 Jun 87

[Text] Belmopan, Belize, June 9, CANA -- The Belize Government is putting the brakes on refugee entry, informed sources reported. But the sources said the government would grant refugee status to more than one thousand persons who fled here from Latin America's political turmoil. The government was also reported to no longer want the presence of the United Nations High Commission [UNHC] for refugees in Belize and to be unwilling to ratify the United Nations Convention on Refugees and related accords. The sources said the government had based its decision on the recommendation of a nine-member committee appointed by Foreign Minister Dean Barrow last September to look at the implications of the influx of thousands of persons into the country and to draft recommendations for an immigration policy.

The report of the committee chaired by Dr Joseph Palacio, the resident tutor of the University of the West Indies, was reported to have been accepted in its entirety by Prime Minister Manuel Esquivel's cabinet. The source said it recommended that the government restrict the number of Central American migrants into Belize because the influx could numerically transform the entire Belizean population within the next generation. Several Salvadoreans and Guatemalans have sought refuge here.

The committee suggested, too, that those who are in the country legally as residents be integrated into the national social fabric through resettlement programmes, the sources disclosed. The cabinet was said to have agreed to the phasing out of the UNHC operation here and the search for alternative sources of funding, such as the European Community. The sources said the government was concerned about some aspects of the United Nations Convention on Refugees regarding refugees being accorded treatment similar to that of Belizeans in some crisis, but was planning to incorporate in its immigration law the salient and relevant provisions of the convention.

ESQUIVEL UNHAPPY WITH CARICOM TRADE TERMS

FL161707 Bridgetown CANA in English 1516 GMT 16 Jun 87

[By Norris Hall]

[Text] Belmopan, Belize, June 16, CANA -- Belize Prime Minister Manuel Esquivel says he is unhappy with the terms of trade in the Caribbean Community (Caricom). He said this was true, particularly with regard to certain member states, especially the larger ones since these are the ones we feel access is more available. Esquivel was speaking in a CANA interview ahead of the Caricom summit in St Lucia where trade is again expected to be the major issue.

We feel we are not getting fair treatment and there is a lot that can be done as far as Belize's exports into the region if only we could overcome two difficulties, the prime minister said. He cited the major problems as the high cost of transportation and the kind of protections which still exist in the region for the free trade of our farm products, particularly beef.

Agriculture ministers, meeting here earlier this month, reported agreement on buying beef from Belize which had earlier singled out Barbados and Antigua for criticism of their beef import policies. The Belize agriculture minister said then that he was satisfied with the outcome of the meeting and felt that Belize was now much more a part of Caricom.

Esquivel said that he intends to raise the "fundamental" trade issues at Caricom summit later on this month. He also said that he hoped that final agreement would be reached in Castries on the proposed export credit facility to be set-up in conjunction with the Caribbean Development Bank. Esquivel said the facility, which will provide pre- and post-shipment credit, is needed by Belize and other small states of the region. We support fully the concept of this Caricom export facility which would offer short-term financing to exporters and to bridge the gap between sale and the receipt of funds, he said.

Esquivel said that his government, when it took office in December of 1984, was disenchanted with Caricom and we made it clear that Belize had not reaped its fair share of the benefits from this regional institution. He also said that it should not be taken for granted that Belize would continue with that situation. We want to see Belize getting its fair share; under the Caricom treaty and we must be recognized as an integral and full member of the Caribbean Common Market.

We have in the Common Market a relatively large internal market and if all member states were to wake up to the spirit and the commitment of the treaty for a fair and easy exchange of goods within the region we feel that Belize would stand to benefit, for while it is true that we may be importing a lot more manufactured goods from the regional market, ourselves and Guyana, being the two largest in land area, would obviously benefit tremendously from the export of our agricultural products.

ARIAS PROMISES TO SPEED UP GOVERNMENT PROGRAMS

PA160409 San Jose Radio Reloj in Spanish 1200 GMT 12 Jun 87

[Text] The president has announced that he will speed up the rural housing program and will send the national development plan to the Legislative Assembly. He will redouble efforts so that the peace plan will drive war away from our borders forever.

He warned that those who oppose the changes required for us to reach development levels that will remove us from poverty will not intimidate us. He asked the finance and agriculture ministers to publicize the fiscal and agrarian programs in order to promptly correct mistakes and increase participation.

President Oscar Arias announced three goals to be accomplished. I have asked the housing and agriculture ministers to coordinate a speedy rural housing problem and have asked them to meet immediately with the pertinent peasant organizations, he said. Second, I am going to send to the Legislative Assembly the national development plan so it can be debated. I am more and more convinced that more things unite us than divide us. Each one of us has a responsibility in the construction of the new economy and I trust that the national development plan will help all of us hold the dialogue demanded by Costa Rica, President Arias said.

I wish to tell you that I will redouble efforts in the coming days and will do everything within my power because we have a sacred commitment to our people; i.e., to make the peace plan, which we Costa Ricans will take to Guatemala, drive war away from our borders forever.

President Arias criticized the opponents of the government's economic policy. Some very influential Costa Ricans continue to think that the power of money ranks above the power of votes. I feel sad when I hear them talk about an economy that would stray from the Costa Rican path we talked about during the political campaign. These are the same ones who feel uneasy over our efforts to ensure peace in Central America and who wish the housing plan and many other things that we Costa Ricans wish to work together would fail. These are the Costa Ricans who find it hard to accept that the vote of a humble Costa Rican is worth the same as the vote of a rich Costa Rican.

When, standing on the fourth step of the cathedral, I talked about the new economy at the family service, I said we would build 80,000 homes and create 25,000 jobs a year. I also said we would build parks for family recreation. On the sixth step I reasserted my commitment to untiringly struggle for greater economic democracy.

(?All of them) are the ones who time and time again want to make us abandon this path. They want us to fire employees without giving them an opportunity [for a job] in the private sector. What fools are those who insist that favoring the private sector means making the rich richer when what Costa Rica wishes is to make the poor rich -- and how little do the poor ask for in order to be rich [as heard]!

Arias warned that he will not be intimidated. It is our destiny to live in times when we must change many things to be able to aspire to development levels that will lead us away from poverty. We like the change very much but this will not intimidate us. If we give up changing what must be changed we would give up ending the wars and would be promoting poverty for thousands upon thousands of Costa Ricans forever.

The government and the country are committed to avoid a new fiscal crisis that would jeopardize economic stability. We will continue to handle the fiscal policy with responsibility and austerity. It appears it will be necessary to have available additional resources like the ones the executive branch has proposed to the Legislative Assembly. I know taxes are never liked and I would prefer not to have to ask for more taxes but this would be unjust. We would leave many Costa Ricans without jobs. Those who contend that the economy would be more broadly reinvigorated are lying. There will not be any more agricultural and industrial production if we threaten social peace.

COMMUNIQUE ADDRESSES ABRAMS SENATE TESTIMONY

PA131530 San Jose LA REPUBLICIA in Spanish 4 Jun 87 p 2

[Text] Rodrigo Arias Sanchez, minister for the president, released yesterday at the government council session a communique referring to the recent statements made by Elliott Abrams to a U.S. Senate committee. Abrams stated that he had ordered former U.S. Ambassador Tambs to pressure President Arias "to suspend a Hernan Garron news conference on the subject of the Guanacaste landing strip." Otherwise, "President Arias' work visit to Washington scheduled for that time would have to be suspended."

In view of these and other remarks, the Costa Rican Government is requesting information from the U.S. State Department, and within the next few days "will present a strong protest to the U.S. Government against its complete violation of our sovereignty and this government's foreign policy." In view of the importance of this issue, we publish the full text of the communique:

"In the most categorical manner, I want to reaffirm the government's policy, which does not allow the use of our national territory for belligerent actions.

"The government has never made any exceptions to this policy. If the Juan Santamaria International Airport or the landing strip at Potrero Grande in Guanacaste was used after 8 May, as some U.S. Government officials or former officials have said, I emphatically state it must have occurred in a surreptitious manner, as Mr Fernandez said a few days ago to the Senate committee.

"I state that if our airports have been used, this was done without the authorization of the Republic of Costa Rica, violating Costa Rican laws, violating agreements, and -- most importantly -- violating the government's foreign policy and national sovereignty.

"Concerning this, we have asked the Public Security Ministry and the Civil Aviation Directorate to carry out a thorough, drastic, and severe investigation to determine if these airports were actually used in the manner described by the aforementioned persons. "I also wish to state that serious contradictions are surfacing in the U.S., capital concerning Mr Abrams' statements about his telephone call to the president of the republic. "The Tower Commission report said that Mr North had called the president of the Republic, but he [not further identified] denied this. "Elliott Abrams, deputy secretary of state for Latin American affairs, said yesterday he had requested that Mr Tambs call President Arias and request he suspend a news conference that was scheduled by Hernan Garron concerning an airstrip in Guanacaste. If Arias did not comply, the president's work meeting in Washington could be suspended.

I expressly say that the message given by Mr Abrams to Mr Tambs was never transmitted to President Arias, at no time were the president's actions tied to a possible visit to the United States. If for any reason this condition were present, the trip would never have been made.

"Therefore, I have requested that Acting Foreign Minister Carlos Rivera Bianchini prepare a message to the U.S. State Department, similar to the one sent on 13 March 1987, to request that the U.S. Secretary of State declare whether the U.S. Government and the State Department support former Ambassador Tambs' and Mr Hernandez' statements concerning the unauthorized use of our airports. "I have also requested that the U.S. Embassy immediately provide the Costa Rican Government with names of government officials who may have allowed the airports to be used.

"I want to reiterate that we will categorically investigate these assertions. If it is proven that the airports were used in complete violation of our sovereignty and of our foreign policy, we will send a strong protest to the U.S. Government. Moreover, if we discover that a Costa Rican official participated or cooperated in such actions, he will immediately be dismissed and further action may be taken.

"The communique sent to the U.S. Secretary of State is very important for us. In the first message concerning the Tower Commission report, the reply the secretary of state gave our foreign minister on April 1987 stated: 'The report asserted that the Potrero Grande airstrip was used on 1 June 1986 to aid Nicaraguan armed resistance. As far as I am able to ascertain, those installations were not used with the knowledge or approval of those who design U.S. policy.'

"After receiving this note, it is urgent that the Foreign Ministry again ask the secretary of state whether authorization or knowledge existed concerning Mr Tambs' statement that, under his orders, Juan Santamaria Airport was used without the consent of national authorities."

BRIEFS

MARIJUANA, SHIP SEIZED -- A ship flying the Costa Rican flag and carrying 20 tons of marijuana has been seized near new Orleans. The ship owners' are Cuban-Americans who have residence here. The security minister of Costa Rica has announced that their immigrant status will be canceled. The owners have been identified as Silvino Agustin Garcia and his wife, Amparo Garcia Ramos. The ship's captain is Alexis Beltran who was arrested along with four other Colombians who were traveling in the ship Anabel, which has been seized by U.S. authorities. [Summary] [San Jose Radio Reloj in Spanish 0100 GMT 10 Jun 87 PA]

MARIJUANA SEIZURE -- An operation carried out by the drugs control directorate more than 8 days ago in La Estrella Valley, Limon Province, has resulted in the seizing of marijuana plantations in various parts of that region. The authorities have seized 313,000 plants, which is the equivalent of 60 tons of marijuana. The plantations have been located in regions such as Naciente, the Acevedo River, the Limon River, and La Estrella River. [Summary] [San Jose Radio Reloj in Spanish 0100 GMT 10 Jun 87 PA]

FDR'S UNGO COMMENTS ON HABIB VISIT TO REGION

PA171952 San Salvador Radio Cadena YSU in Spanish 1700 GMT 13 Jun 87

[Report by David Marciano Rivas]

[Text] The highest FDR leader, Guillermo Manuel Ungo, said today that Philip Habib, U.S. special envoy for Central America, used Honduran and Salvadoran Presidents Jose Azcona Hoyo and Jose Napoleon Duarte, respectively, to boycott [preceding word in English] the Central American presidents' summit scheduled for 25 and 26 June in Guatemala City. Ungo termed Habib a proconsul because of the tutelage he has exerted over some of the governments in Central America.

Among other things, the Salvadoran rebel leader affirmed that the government of President Duarte has been destabilizing and attacking the government of Nicaraguan President Daniel Ortega, through the logistical support provided through the Ilopango military airport. Here is a portion of FDR President Dr Guillermo Manuel Ungo's statement:

[Begin recording] Actually, these changes in the position of Duarte are not new to us. We constantly experience how facts contradict Duarte and his statements. [Words indistinct] must bear in mind that again, the Duarte government, as well as the Honduran Government, are becoming the main instruments of the Reagan administration. We clearly see that, without scruples or concern for appearances, it is sending its pro-consul, Ambassador Habib, to give continuous instructions. The regime is subject to permanent tutelage, as if it were a 7-year-old child. I think so far this year, Ambassador Habib has made four visits to Central American countries, paying particular attention to El Salvador and Honduras.

However, I do not think we should believe this is over. This is a postponement of the meeting. I believe that much has been accomplished in this situation and that it cannot be openly sabotaged. The interests and needs of other governments that do not fully agree with the U.S. Government are involved, even in Central America, as is the case with the Costa Rican Government. The Costa Rican president promoted his proposal throughout Europe, and I think he is interested in avoiding a delay in the meeting. The same could also happen in the case of the Guatemalan president.

Therefore, this postponement is a way to further cloud the issue and an attempt to continue distorting the Arias plan, in an effort to adjust it to the interests of the United States [words indistinct] exerting its influence through the puppet governments of El Salvador and Honduras.

I think in the case of El Salvador, we should concentrate our attention on our situation. Our conflict has several levels. I would say, and I have said this on other occasions, for example in Bogota, that there are three dimensions. Msgr Rivera y Damas has also said this. There is the extraregional dimension: This is very important because it is the dimension of the superpower, of the hegemonistic policy of the Reagan administration. We should try to get rid of it.

There is also the subregional dimension, that of the Central American subregion, where the situation of the various countries is taking place and where it has been seen that the Salvadoran case is turning into a factor of [words indistinct] that is paradoxically the opposite of what U.S. propaganda has said for years, always accusing the Sandinists of supporting the Salvadoran revolutionary movement. It now happens that things are the opposite. Duarte's government has been destabilizing and attacking -- as a puppet of the Reagan administration -- the Nicaraguan Government through the logistical supply of weapons from Ilopango Airport. I think this is obvious, even though Duarte and the high-ranking military chiefs have denied it. [end recording]

However, Guillermo Ungo said it is too early to end the efforts for peace in Central America, which have been thwarted on this occasion, because some Central American countries are still making their own efforts for peace. Also, the member countries of the Contadora and Support Groups -- which represent 80 percent of the Latin American population -- have also expressed their interest in achieving peace.

ARENA DISCUSSES DUARTE'S 1 JUNE ADDRESS

PA152258 San Salvador Radio Cadena YSKL in Spanish 1100 GMT 12 Jun 87

[Text] The critical condition of poverty our country is experiencing -- acknowledged by President Duarte himself during his 1 June address -- is the result of the ineptness, corruption, and sectarianism of the Christian Democratic government, Alfredo Cristiani, president of the Nationalist Republican Alliance, ARENA, has said. He made those remarks during a television program on President Duarte's 3d anniversary address.

President Duarte has been ruling the country since 1980; first, as a member of the de facto junta, and later as constitutional president. Therefore, he is one of the people most to blame for the social, economic, and political crisis our country is experiencing, Cristiani said. This is not a government, but a misgovernment, he said.

At this historic moment national unity is indispensable to overcome the social, economic, and political crisis, he added. He said it is important that for the first time Duarte understood the need to unify the Salvadoran family, as ARENA has been saying since 1982. If he fails to do this the crisis will worsen, he warned.

ARENA will remain alert to ensure that Duarte keeps the promises he made on 1 June. It is necessary to go from words to deeds to stop disappointing the Salvadoran people. He added that ARENA will support the laws announced by President Duarte that benefit the nation and see to it that they are implemented.

Cristiani stressed that the main task now is to seek national unity. We must set aside partisanship, arrogance, and divisionism because they weaken our efforts. Only through national unity will we be able to resolve the social, economic, and political crisis our country is experiencing, he said.

VISIT OF PANAMA'S GEN NORIEGA REVIEWED

PA101901 Panama City Televisora Nacional in Spanish 0000 GMT 9 Jun 87

[Report by Eric Rodriguez Auerbach]

[Text] Prior to the fast-paced developments the country is facing as a result of former Colonel Roberto Diaz Herrera's statements, a historic meeting took place in Guatemala between [Guatemalan] President Vinicio Cerezo and General Manuel Antonio Noriega. TV-2 was present with its cameras in that Central American country. Here is the report:

[Begin recording] [Auerbach] It was at 1000 on Friday, 5 June, when an Air Force jet commanded by Major Augusto Villalaz landed on the runway of the military base at La Aurora Airport in Guatemala City.

Gen Noriega, Colonel Elias Castillo, frigate Captain Roberto Armijo, Lieutenant Colonel Teodoro Alexander, and the other members of the retinue were received by representatives from various Guatemalan military institutions headed by Defense Minister General Hector Alejandro Gramajo. Alejandro Gramajo welcomed the visitors accompanied by other staff members.

After saluting the Guatemalan flag and listening to the national anthems of the two countries, Gen Noriega reviewed the troops at the air base accompanied by the major commanding the units.

Following the ceremony, Gen Noriega held a news conference at the military base with Guatemalan journalists and international correspondents assigned to Guatemala City. The news conference lasted approximately 40 minutes. Here are his initial remarks:

[Noriega] I am here at the invitation of the president of the Republic, due to the links between our armed forces. I have been in Guatemala before. Our presence here is of a military nature. We also wanted to greet the president of the Republic.

[Reporter] I have a question, general. According to international dispatches, you have been criticized by some agencies in the sense that you, specifically [words indistinct] have reportedly collaborated in giving weapons to Latin American guerrillas. What do you have to say about that?

[Noriega] I will say that we all know who in the United States is facing problems. It is not Latin America. Irangate is not a Guatemalan or Panamanian problem; it is a U.S. problem. That is my reply.

[Reporter] General, I am [name indistinct] from the ACAN-EFE agency. Will you be a presidential candidate?

[Noriega] I am a military man. Nothing else. I am a military man, and I like my profession.

[Reporter] What if the time comes for you to retire?

[Noriega] That will be within 5 years.

[Auerbach] Asked about the real role of the military in Latin America, Gen Noriega told the Guatemalan press the following:

[Noriega] A historic process is underway in Central American and Caribbean governments and also in Latin America. Each country has its own character, its own profile. Guatemala's profile is different from those of Nicaragua, Panama, and the United States. Yet, there is a common denominator; Each country acts in accordance with its economy or in accordance with the civilian or military group that may have the greatest influence. This has been the story in Latin America. There has been a cycle. We can describe 1970 as the cycle of swords, the cycle of military governments, why? Because the civilian governments in power could not solve the problems in the countries, and this led to the military sector's rise to power. Then came the cycle of democracy. Democracies are active and have the power to create solutions. My country is a small country of 2 million people, and its profile is different. It is where the Panama Canal was constructed. The United States will be there until the year 1999, and this, in addition to the country's small size, forces us -- these 2 million inhabitants -- to have a government that is a cross between civilian and military power. We, the military, work for the government within the infrastructure of civic action where the private sector or the government cannot reach. That is our system; we work with the president.

[Auerbach] Gen Noriega was also asked about Costa Rican President Oscar Arias' proposal. He said the following:

[Noriega] Perhaps I should not give an opinion about other opinions if all the concepts are not considered together. President Arias sees the situation from Costa Rica's point of view. Costa Rica has a different profile; it has no army, it needs its neutrality, and it needs to maintain its nonviolent way of life. Therefore, its concepts have to be perfectly balanced. This is not the way San Salvador, Honduras, or Guatemala may see the situation. Their concept of how to manage insurgency is quite different.

Therefore, I cannot establish an exact pattern. Each country has its own solutions. These solutions, discussed in a group by everyone, could lead to a decisive solution. This is what I advocate. Military advice is needed at the negotiation table. The military speaks a yes or no language, not the diplomatic language of not wanting to tell you no when they should tell you yes. This is my answer to your question.

[Auerbach] Later, in the Air Force protocol room, Gen Gramajo and his General Staff offered a welcoming toast for Noriega, in which ties between the two military corps were strengthened. After the toast, Gen Noriega, Col Castillo, and Lt Col Alexander traveled to Escuintla Department while frigate Capt Roberto Armijo and the rest of the Panamanian officers who graduated from the Guatemalan Polytechnic Institute traveled by road to the northern part of the country to visit their alma mater.

At the Santo Tomas de Aquino farm, President Vinicio Cerezo was waiting with personal bodyguards and general aides. On one of the main terraces, with San Jorge in the background, Gen Noriega and the Guatemalan president spoke for more than 4 hours on various topics. The atmosphere from the very beginning was very cordial. After the dialogue, President Cerezo led a tour of the farm, a country retreat purchased by the Guatemalan state for its presidents. At the wheel of a military jeep, Cerezo toured a large part of the farm with the Panamanian general and his entourage. Part of the tour was on foot, and the president highlighted a small preserve of national animals, a lovely swimming pool, and other facilities.

Upon returning to the main house, President Cerezo, who was in a very good mood, spoke for a few minutes with the Panamanian reporters who witnessed his meeting with the chief of the Panamanian Defense Forces. Escolastico Calvo, manager-coordinator of the Renovacion Publishing Company; nector de Icaza of Radio Musical; and I asked Cerezo questions.

[Cerezo] I do not believe that a government can be democratic or of any other ideological bent if it does not have the professional support of an armed forces to give it the necessary security to ensure stability. Therefore, it is important for each president to establish the role of each of the sectors, define these roles adequately, and discuss the issues. The sectors should not be polarized or confronted. On the contrary, they should unite around national objectives. The army does not necessarily have to return to its headquarters, which is an age-old Latin American concept -- a concept established in the United States. It should be an army deeply responsible for the guidance of the country's social and political processes, in fulfillment of its duties. It is the army's duty to provide security to ensure stability in each nation. Stability is necessary for economic development.

[Auerbach] Mr President, various Latin American leaders, especially President Febres Cordero, have increasingly questioned the international management of Christian Democracy through foundations and monetary contributions that in one way or another are used to topple certain legitimate Latin American governments. Would you like to comment on this?

[Cerezo] I do not know of any concrete case in which European Christian Democratic foundations have contributed to toppling legitimate regimes. They contribute to technical and political training. I think it is most important to say that the Central American and Latin American Christian Democratic parties act differently in each country, independent of international slogans. This has been demonstrated in the diverse policies and international attitudes of Christian Democratic parties throughout Latin America. I think in any case the foundations should contribute to the parties' knowledge and political experience, but never to the toppling of legitimate regimes that advocate democratization.

[Reporter] What does Gen Noriega's presence in Guatemala mean to you?

[Cerezo] His presence is to promote affection and friendship between Panama and Guatemala. It is also aimed at consolidating our relationship, because our countries share common international objectives. We maintain neutrality in response to confrontation and polarization. We maintain a policy of respect for dialogue and harmony and not of polarization and war as has been promoted in Central America by various groups throughout the years. Panama's international position is positive because it has promoted dialogue and harmony. This coincides with Guatemala's active neutrality.

[Auerbach] Later, a luncheon was held at which anecdotes and sincere camaraderie prevailed. After the luncheon, the leaders exchanged gifts and President Cerezo spoke on Gen Noriega's personality, describing him as a military man sincerely interested in the region's situation and with whom he will continue struggling for the area's pacification. President Cerezo promised to visit Panama. He said, quote, in less than 3 months I will be in Panama, the country of peace, unquote.

In the evening, Gen Hector Gramajo, the defense minister, hosted an elegant dinner in honor of Gen Noriega and his entourage. In addressing the guests, Gramajo said the following: Gen Noriega, as does any soldier, shares a common denominator with us. He loves his country, he serves his country, and all his actions are aimed at exalting and defending his country. I understand this. Gen Noriega is a military man with a solid academic education and a great deal of practice and experience. He transcends the normal limits of a leader because he has the moral strength to resist even international criticism and to continue on his path because it is for the good of the country.

Gen Noriega has the characteristics of any leader, and he has demonstrated these by the way he has stood by his officers, not only during this trip but throughout all the difficulties of his work, as well as informally, or socially, as we are right now. As if this were not enough, Gen Noriega is a member of the silken brotherhood. He is a free-jump parachutist, and when we were speaking this morning I took note of the depth of his knowledge of free-jumping. The least a parachutist can do is acknowledge Gen Noriega's soldierly qualities, which are of international dimensions. He has recently visited other countries and now he is visiting us, always with the intention of serving his country.

In addition, he attends to the basic needs of an Armed Forces, filling its need for leadership and simplicity. He has international dimensions, he is in Guatemala as a statesman, and he is broaching subjects with President Cerezo, the general commander of the Guatemalan Armed Forces, that are currently very important to the isthmus. It is an honor for me to serve as host for such an important soldier and to be able to tell him that we are honored by his visit. We hope his visit has been fruitful. Before concluding, I want to propose a toast.

[Unidentified speaker] To the success of Gen Noriega's endeavors. [end recording]

President Comments on Visit

PA091459 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 8 Jun 87

[Text] General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, visited our country on Friday. Guatemalan President Vinicio Cerezo Arevalo said that during the visit, Noriega expressed his support for the peacemaking efforts of the Contadora Group.

[Begin Cerezo recording] We broached the usual subjects that come up during these meetings, how to improve the relations between Guatemala and Panama and, of course, the Esquipulas summit and the possibilities of working for peace. General Noriega expressed his country's interest in maintaining its support for the Contadora Group -- Panama is a member of the Contadora Group -- and also expressed his hopes that during the Esquipulas summit the five Central American countries will reach an agreement based on the Arias plan, which we will be studying. [end recording]

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CENTRAL AMERICA
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REPORT ON DEATH OF U.S. SOLDIER IN PALMEROLA BASE

PA151447 Tegucigalpa Cadena Audio Video in Spanish 1140 GMT 15 Jun 87

[Report by Jorge Mendez Carpio, correspondent in Comayagua]

[Text] A U.S. soldier died mysteriously Saturday night at 2000. His name was not disclosed to Radio America in Comayagua. It was learned that the soldier was shot three times in his chest, supposedly from a special 38 caliber gun in this city. What seems odd is that it is believed that the shots came from outside the U.S. military base -- and the guards did not hear the shots. Therefore, it is believed that the attackers used silencers.

The soldier was found inside his vehicle, a jeep, buried in a ditch near the wire fence surrounding the installations of the Palmerola U.S. military base, in the inside part of the fence.

It was learned that the body of the unfortunate soldier were flown to his hometown in the United States yesterday. The tragedy occurred directly in front of the Alimentoy de Honduras factory, which is located in front of the base. The guards at the food processing plant said they did not hear anything.

Some workers of the Palmerola base in charge of transporting soldiers on their days off said that a few weeks ago they saw a group of hitchhikers who seemed suspicious and informed their superiors once they arrived at the base. Minutes later, helicopter gunships patrolled the area, with negative results.

Last night, the absence of U.S. soldiers in Comayagua's amusement centers was noticeable. It was learned that they will remain on base until further notice.

ARMY CONFIRMS EPS-DOWNED PLANE CREWMEN RESCUED

PA170303 Panama City ACAN in Spanish 0010 GMT 17 Jun 87

[Text] Tegucigalpa, 16 Jun (ACAN-EFE) -- The Armed Forces of Honduras this afternoon confirmed that one of its border patrols rescued and admitted into a health center two men who were aboard a plane downed by the Sandinist Army. A Honduran Army spokesman told ACAN-EFE today that the plane, which came from Nicaragua and was attacked on Monday, crashed on El Tigre Hill, in Honduran territory, in the eastern El Paraiso Department, 6 km from the border.

The spokesman added that a patrol deployed immediately to the site found two injured and unconscious men inside the aircraft. The Honduran source specified that the injured men were admitted to the health center of Las Canas, 12 km from the Nicaraguan border.

The spokesman said that the Army is currently investigating the origin of the flight, aircraft registration, and nationality of the aircraft and crewmen, because it came from Nicaragua when it entered national territory.

He also stated that, based on reports out of Managua, it was known that the plane was hit by antiaircraft fire from military positions in Papanacal and El Doralito, Nicaragua.

The spokesman said that those Nicaraguan positions where the plane was hit are located 10 km from the Honduran border and 210 km from Managua.

The Honduran official report denied reports attributed to spokesmen of the rebel FDN stating that the plane crewmen are out of danger and in their hands after having been rescued by their commandos.

That same source stated that the plane had fallen in artillery-free territory in Nicaragua and was dropping propaganda leaflets over Nicaraguan civilian towns and military positions when it was attacked and downed.

According to the Sandinist Army, the plane attacked military positions with rockets and was downed for its aggression.

Survivors 'Deported'

PA171959 Paris AFP in Spanish 1919 GMT 17 Jun 87

[Text] Tegucigalpa, 17 Jun (AFP) -- The Honduran Government announced today it had deported the three Nicaraguans who survived when the small FDN plane they were flying was fired on by the EPS on Monday and crashed in El Paraiso Department, eastern Honduras. The Honduran authorities did not announce to which country the three Nicaraguans had been sent.

However, a reliable source last night told AFP that the three survivors, who were wounded as a result of the incident, were being given medical attention in a hospital of the Nicaraguan resistance in Honduran territory.

The Press Secretariat of the Presidency reported today that at 1430 on Monday "an unidentified aircraft coming from Nicaragua illegally entered Honduras. Due to apparent difficulties the plane crashed in a place near Capire, El Paraiso. As a result of the crash, the plane caught on fire."

The Press Secretariat also identified the three occupants of the aircraft who survived the crash as Juan Flores -- whom the Sandinists identified as Juan Gomez, chief [jefe] of the rebel FDN -- Guillermo Gomez, and Alvaro Carazo, all Nicaraguan citizens.

The official communique disclosed that the investigations carried out by the security authorities determined that "the survivors are linked to the activities of armed opposition to the neighboring countries, and therefore their presence in Honduras violates the policy of neutrality and nonintervention that the Honduran Government upholds in the internal conflicts of other states."

It added that, therefore, "the Honduran authorities proceeded to deport them from national territory."

The news media today reported that the contras were captured by Honduran Army border patrols after the crash.

The Managua authorities reported that the aircraft was hit by the Sandinist artillery after it had bombed positions of the Nicaraguan Army in the area of El Dorado, 10 km from the border with Honduras.

PRESIDENT ORTEGA ON SUMMIT POSTPONEMENT

PA180158 Managua Domestic Service in Spanish 2316 GMT 17 Jun 87

[News conference by President Daniel Ortega with local and international reporters at the Information and Press Directorate of the Presidency -- live or recorded; broadcast in progress]

[Text] [Ortega] ... An initiative has occurred in the Central American region after Mr Habib's visit to Central America. This initiative has been acknowledged by President Duarte, who has proposed postponing the Central American president's meeting that these very same Central American presidents agreed to hold on 25 and 26 June.

We report this initiative to postpone the presidents' meeting as one more factor in the escalation of aggression that threatens Central America. The fact that the presidents' meeting scheduled to be held on 25 and 26 June in Guatemala is being sabotaged and boycotted once again indicates the stubborn posture of the U.S. Government, which opposes all negotiated solutions in Central America. All this is done with the purpose of advancing its policy of destruction against Nicaragua.

Objectively speaking, these initiatives -- one of Mr Habib, U.S. Government envoy, and another of President Duarte as spokesman for Mr Habib and the U.S. Government -- aggravate the danger of U.S. intervention in Central America. Nicaragua insists on the urgent need to hold the Central American presidents' meeting scheduled for 25 and 26 June. We invite all Central American governments and presidents to meet in Guatemala on 25 and 26 June as agreed upon to seriously discuss the commitments pledged during the Esquipulas I meeting in May 1986. There, we should also discuss and reach an agreement on how to cope with the serious situation that affects the Central American peoples.

All this would have to occur within the Contadora framework and with a willingness to learn about the various proposals of the Central American presidents, including Costa Rican President Oscar Arias' peace plan.

If this meeting of Central American presidents is not held as scheduled, it would be a fatal blow to the efforts being made since Esquipulas I and to the Arias plan initiative. To accept this type of meeting -- in which the foreign ministers would meet first, and then the presidents in August -- would be to create a process of discussion of the Habib-Duarte peace-plan proposal. The Habib-Duarte plan would enclose the Arias plan. This proposal is aimed at burying the Arias plan and imposing the Habib-Duarte plan, that is to say, the U.S. plan.

If this U.S. policy is imposed, they would be trying to deny the Central American presidents the possibility of a dialogue, that is, they would be trying to deny us the Guatemala meeting on 25 and 26 June and to impose on us the Habib-Duarte plan. Then Nicaragua would not participate in any meeting because that would be to render all the peace efforts that have been promoted up to now useless.

The delays that might arise in the mind of the United States would thus be imposed on us. Because it depends on the U.S. will, the Habib-Duarte plan would subject us to a postponement of the presidents' meeting for an indefinite time. The United States would then establish its own negotiation proposal as an instrument to isolate Nicaragua, continue its policy of war against Nicaragua, and launch a direct invasion of our country. The international community has set high hopes on this meeting of 25 and 26 June.

However, all of these facts -- which can only be described as sinister [escabrosos] -- have demonstrated something on which Nicaragua has insisted so many times, i.e., that Contadora is the only viable vehicle of negotiation, at which we have already made progress on concrete points which all of us, the Central American heads of state, have accepted and at which the only points pending for a final negotiation are those concerning security, military (?aspects), as well as verification and control.

These points were broached a little over a year ago in Guatemala during the Esquipulas I meeting. Therefore, it would seem to be most logical, most reasonable that in view of the frailty of some of the Central American governments in yielding to the U.S. pressures and throwing overboard the hopes of the Central American peoples, the hopes of the Latin American peoples and the world, who depended very much on this meeting of 25 and 26 June, it would be advisable, under the circumstances, that we return to Contadora, that we return to the Contadora negotiating process.

This way we will be certain that we will make a much stronger call, from a Latin Americanist standpoint, in order to be able to move forward with an effective dialogue vis-a-vis the United States. What the current situation has demonstrated is that some of the Central American heads of states, and, in this particular case, President Duarte, are very sensitive to U.S. pressures.

So, it now turns out that following the little trip by Mr Habib, President Duarte, who had agreed to attend the meeting of 25 and 26 June in Guatemala -- which did not come up, which was not Nicaragua's idea, but which came up at a meeting held in San Jose, Costa Rica, by four Central American presidents who excluded Nicaragua -- that President Duarte is the one who has decided to postpone the meeting.

We, I repeat, we ask President Duarte and the Central American presidents to meet in Guatemala. We, the Central American presidents, are the ones who can adopt firm decisions at dramatic moments like this, (?not) the foreign ministers. If any Central American president has any doubt about this, he should then make his foreign minister assume the presidency and he should become foreign minister of his country.

Nicaragua remains prepared to hold bilateral and multilateral contacts with the Central American governments. However, (?there are already) multilateral contacts through the Contadora framework, and we can establish the bilateral contacts beginning with our already established relations with the Central American governments. This is what we wanted to announce to the Nicaraguan people and to the international community. Have you any questions?

[Reporter] [Name indistinct] of ACAN-EFE. Assistance for the contras of \$115 million is pending approval in the United States. Do you think this delay may facilitate the approval of this aid?

[Ortega] The purpose here is to have the U.S. Government tell the U.S. Congress and people, look, the Central Americans cannot even meet; Central Americans are incapable of engaging in dialogue among themselves. Why. Because Nicaragua is a threat. You see, they could not even hold the meeting that had been scheduled for 25 and 26 June. They are now saying that it will be held in August, and in August they will say or somebody will propose that it be held in December. This will be proposed in the name of the United States.

Logically, through this, the U.S. Government is strengthening its aggressive policy, its policy of force, and is looking for forums to approve these funds, looking for forums that will create the conditions to arrive in Nicaragua and deal a direct blow to our country.

[Reporter] [Name indistinct] of EXCELSIOR. First of all, I would like to know if Nicaragua will not attend if there is a prior meeting of foreign ministers. Second, what do you think of the statement made recently by Reagan to President Arias to the effect that the Arias plan will not prosper because the United States will not abide by it?

[Ortega] It is clear. President Reagan has spoken very clearly. He has spoken very clearly in regard to his positions. Everything we are experiencing in Central America is a reflection of the position of the U.S. Government, and that is why, with full conviction, we assert that what is under discussion now, what is being proposed, is the Habib-Duarte plan. That is, the United States is using President Duarte to work on this plan, which contains President Arias' peace plan. Nicaragua is ready to attend the meeting in Guatemala on 25 and 26 June, and we are again urging the Central American heads of state to consider their position with sincerity and that we meet in Guatemala on 25 and 26 June.

However, Nicaragua is not prepared to attend the meetings proposed under the Habib-Duarte plan. Really, Nicaragua will not fall into this trap. (?In a nutshell), what this demonstrates is the need for Contadora and Contadora's viability. What this demonstrates is that it is necessary to return to the Contadora negotiating process.

[Reporter] [Name indistinct] of the Voice of Nicaragua. Comrade President, how do you think President Arias' foreign policy will look after President Reagan told him that he will not abide by the Arias plan for Central America and at the same time reiterated that he will continue financing the counterrevolutionary groups?

[Ortega] Well, we, the Central American countries, are waging a struggle in view of the pressures and aggressive policy of the United States, which is endangering the lives and security of the peoples of Central America, where peace efforts are being promoted by President Cerezo of Guatemala, President Arias of Costa Rica, Nicaragua [words indistinct] within Contadora's context.

On the other hand is El Salvador, specifically President Duarte as an instrument of U.S. policy to sabotage peace. Therefore, we must make an appeal to President Duarte's conscience and responsibility with his own people to reconsider his position to allow us to meet on [June] 25 and 26, (?in 1 week), to discuss the problems we should be discussing and make decisions for peace in Central American.

[Guevara] Jesus Guevara of NOTIMEX. I would like to know whether you are in contact with member countries of the Contadora and Support Groups and what would Nicaragua's message to these Latin American countries be?

[Ortega] We are now conveying these positions to the governments of member countries of the Contadora and Support Groups and the entire international community.

[Reporter] I would like to know whether you have conveyed this privately to President Arias or any other Central American leader; President Cerezo for example.

[Ortega] President Arias is in the United States; President Cerezo is really the host of the meeting. Minutes ago, I contacted president Cerezo over the telephone to let him know about the position we would announce.

[Reporter] President Arias said in the United States that he would ask the U.S. Government for a break in regard to his plan. He said that he is open to Reagan administration suggestions on the plan. Do you think that this could be a tactical move to delay the summit?

[Ortega] I think President Arias is facing a very harsh U.S. position, a very violent U.S. position. He is reacting to pressure with this kind of (?action). We cannot judge at this moment.

[Reporter, name indistinct] of Radio Canada, Mr President, I would like to ask two questions. First, whether President Cerezo has reacted to Nicaragua's position. Second, how will the Nicaraguan Government react to accusations that will surely pop up that Nicaragua has never liked the Arias plan and thus is taking advantage of this situation to revert to the past and the Contadora Group.

[Ortega] I would say that the evidence is so apparent that Nicaragua would have little to say to clarify this situation. The criminal is accepting his crime: When President Reagan says that he disagrees with President Arias' plan, President Reagan is the one who is killing President Arias' plan. The emerging option is President Reagan's plan conveyed through President Duarte's proposal [words indistinct]

Therefore, I think the situation is very clear: there is an attempt to sabotage and boycott dialogue possibilities among Central American rulers. Nobody will be able to blame Nicaragua for [words indistinct]. We are ready to travel to Guatemala on 25 and 26 June [words indistinct]. We did not conceive this series of meetings in Guatemala; that was President Cerezo's initiative. The four presidents met in San Jose, Costa Rica. Nicaragua was excluded. In that meeting, President Duarte questioned President Arias' proposal; he questioned it publicly since arriving at the meeting.

Afterward, they agreed on holding this meeting in Guatemala. That was not our idea; it was theirs. We agreed to participate in that meeting and now that the meeting is about to be held, after it has (?received international support), Mr Habib shows up touring the region. As soon as he leaves the region, President Duarte comes up with his request to postpone he meeting.

Therefore, the issue is very clear. The evidence of the crime is there. The instruments used by the criminal to kill this meeting are there. I do not think under any circumstances will Nicaragua be responsible if the Central American rulers cannot hold a dialogue. We are willing to travel to Guatemala on 25 and 26 June.

[Reporter] Mr President, what consequences will the failure to attend the presidential meeting on the new date have for Nicaragua?

[Ortega] First, we do not yet know that. We have not been officially informed that there has been a formal agreement, because there must be a consensus among the five presidents to set a meeting. If there is no consensus, it is logical that there can be no meeting. Otherwise, there would be an arbitrary action; an unacceptable imposition (?on our country). Thank you.

BORGE IN BULGARIA, PREDICTS CONTRA 'LIQUIDATION'

PA142102 Managua Radio Sandino in Spanish 1930 GMT 11 Jun 87

[Text] Nicaraguan Interior Minister Commander Tomas Borge today predicted in Sofia, the capital of Bulgaria, that the counterrevolution will definitely be liquidated in his country next year. However, he admitted that small groups of rebels -- who will engage in pillage, banditry, and murder -- may survive. He said, however, that the Interior Ministry will confront that activity, and it will be eliminated sooner or later.

The Sandinist leader, who is on an official visit to Bulgaria that began on Monday, said the U.S. Government and the anti-Sandinists failed in all their attempts to organize an internal front in Nicaragua.

It is no secret that the State Security Office was able to infiltrate the contra ranks, Borge said, stressing that in various operations carried out recently the Sandinist forces were able to seize 50 tons of plastic explosives from the enemy.

Beaten by the EPS and neutralized by the State Security Office, the counterrevolution has been losing ground. It has not been able to reach any of its goals, and it can be responsibly stated that it is already strategically defeated, Commander Borge said.

Borge, who is also a member of the FSLN National Directorate, said Nicaragua is experiencing a very difficult economic situation mostly because it has to devote 50 percent of its resources to defense. As long as the war continues, there is no possibility to effectively resolve the serious economic problems the country is facing, he noted.

However, he emphasized, Nicaragua will not suspend its health and education program. He remarked that despite the war, the nation is laying the groundwork of a strategy that, within a medium term in history, will permit the beginning of an economic takeoff.

BORGE DISCUSSES COUNTRY'S POLITICAL PRISONERS

PA110350 Paris AFP in Spanish 2234 GMT 9 Jun 87

[Text] Bogota, 9 Jun (AFP) -- The liberal Colombian magazine SEMANA reported today there are 4,605 political prisoners in Nicaragua. The magazine disclosed that it obtained the data from Nicaraguan Interior Minister Tomas Borge during a conversation he held in Bogota with Colombian newswoman Patricia Lara. Borge visited Bogota 2 weeks ago.

According to SEMANA, in Nicaragua "there are 2,095 contra prisoners caught carrying weapons." It adds that "2,110 Somoquist guardsmen and over 400 Sandinist militarymen, some of whom have been punished for abuses against prisoners," are also in jail in Nicaragua.

Finally, the magazine notes that "according to Borge the Sandinist government has complied with some of Amnesty International's requests in regard to the treatment of political prisoners."

CONTADORA, SUPPORT GROUPS PREPARING AID PLAN

PA050208 Managua International Service in Spanish 2300 GMT 4 Jun 87

[Text] The eight Contadora and Support Group member countries are elaborating an overall plan of economic aid to Nicaragua in order to assist this country in overcoming the crisis it is currently experiencing as a result of the war of aggression.

The plan would reportedly include the reinitiation of oil supplies from Mexico and Venezuela, aid from Argentina in the form of grain, and joint support of the Nicaraguan balance of payments.

In this regard, a DPA report revealed that even though the plan of economic aid to this Central American country is being prepared, its application will not take place soon.

REGIONAL BUSINESS LEADERS MEET IN MANAGUA

PA141619 Panama City ACAN in Spanish 0156 GMT 13 Jun 87

[Text] Managua, 12 Jun (ACAN-EFE) -- The leaders of Central American and Panamanian business sectors are holding a lengthy meeting here today to reach various agreements on the regional common market and Panamanian situation vis-a-vis the upcoming presidential summit in Guatemala.

At the end of the meeting, the leaders of the Federation of Private Enterprises of Central America and Panama [Federacion de Empresas Privadas de Centroamerica y Panama -- FEDEPRICAP] also plan to address a letter to Nicaraguan President Daniel Ortega on the situation of the Nicaraguan private sector, FEDEPRICAP meeting sources disclosed.

These sources added that at the same meeting, area businessmen will analyze the recent disturbances in Panama and the status of certain Panamanian business representatives.

The businessmen were also trying to meet with a top representative of the Sandinist government, which depended on a confirmation from Presidency Minister Rene Nunez.

The FEDEPRICAP meeting ends tonight.

PLANE ATTACKS EPS WITH MISSILES, REPORTEDLY CRASHES

PA152350 Managua Domestic Service in Spanish 2300 GMT 15 Jun 87

[Text] Today at 1430 an unidentified plane entered our airspace in the Nueva Segovia area, in the 1st Region, Nueva Segovia Department. This unidentified plane attacked EPS units in Cerro El Doradito with missiles. EPS antiaircraft units repelled the attack and opened fire on the plane. The plane was hit by the EPS antiaircraft units. Once hit, the plane withdrew into Honduran territory and apparently crashed in the Cerro El Tigre area. It crashed some 6 km inside Honduran territory. The place where the plane apparently crashed is located in El Paraiso Department. We wish to report that the missile attack carried out by the plane that entered Nicaraguan territory did not cause any damage to civilian or military installations.

'SOMOZIST BAND' BLOWS UP ELECTRIC TOWER

PA121811 Managua Radio Sandino in Spanish 1200 GMT 12 Jun 87

[Text] Jose Francisco Salinas, head of INE [Nicaraguan Energy Institute] in Region No 1, has reported that a criminal Somozist band blew up an electric tower in the region. This criminal action took place in the western part of Esteli today at 1230, and the region has been without power since then. Emergency brigades have already left for the area to restore power as soon as possible.

BRIEFS

SUGAR MILL HARVEST -- Chinandega -- The 1986-87 sugar harvest at Chichigalpa's San Antonio sugar mill ended yesterday at 1700 with the production of 535,000 quintals of raw and refined sugar. During the 218-day harvest, the 4,500 participating workers overcame problems ranging from a lack of machinery spare parts to sugarcane burning by criminals. Despite the fact that workers from the Julio Buitrago, Victoria de Julio, and Garman Pomares mills were called in to help, this year's production was considerably below the 2.8 million quintals produced in the 1985-86 harvest. [Summary] [Managua BARRICADA in Spanish 10 Jun 87 p 2 PA]

CIVILIANIZATION CRUSADE COMMUNIQUE ENDS STRIKE

PA171749 Panama City LA ESTRELLA DE PANAMA in Spanish 17 Jun 87 pp 1A, 14A

[Communique issued by the Civilianization Crusade issued in Panama City on 16 Jun 87 -- passages within slantlines published in boldface]

[Text] /Communique/

/National Civilianization Crusade/

The call to strike, made by the /National Civilianization Crusade/ since 10 June, has been a moral and absolute victory, because we received the /voluntary and spontaneous/ participation of the majority of Panamanians, with no distinction of class, occupation, or even political preference. This activists strike, with results that are unprecedented in our history, sends a civic and patriotic message to the National Government and the entire world, from the Panamanians, and it repudiates the regrettable state of moral and political corruption of the system ruling us.

/Considering:/

1. That the /National Civilianization Crusade/ in its original communique requested the immediate discharge from their posts of those military and civilian government officials charged and involved [in wrongdoings] until the facts and charges that have been made regarding electoral wrongdoings and crimes are clarified, so that the accused can be subjected to an impartial investigation to determine their guilt or innocence;
2. That the /National Civilianization Crusade/ has been composed of more than 60 civic, trade union, professional, medical, educational, and student organizations, for the purposes of coordinating all actions seeking to rescue the civic and moral values, and of reconstructing the institutions that will guarantee justice and true democracy in our country;
3. That in response, the FDP [Panamanian Defense Force] responded with excessive and unjust violent aggression against civilians carrying out peaceful street demonstrations to demand justice, to the point where the /National Government/ suspended the constitutional guarantees, violated human rights and silenced freedom of expression, by imposing censorship;
4. That the violence, repression and regime of terror imposed in response to the demands by the /Civilianization Crusade/ have made obvious the self-incrimination of those accused.

/Resolves:/

1. To demand the National Government immediately reestablish constitutional guarantees, freedoms, and rights of all citizens and eliminate the measures of terrorism and state persecution by its official and paramilitary organizations;

2. To demand the reinstatement of all public officials and doctors who have been fired as well as newsmen and journalists who have been deprived of their respective licenses because they participated in the /National Civilianization Crusade/
3. To condemn the fact that the suspension of constitutional guarantees was applied only to certain groups of Panamanians, because the official sectors retained the freedom to hold meetings and demonstrations as well as the freedom of expression, which they used to harangue and intimidate, through the use of the media and armed caravans. At the same time, peaceful demonstrations with [people waving] handkerchiefs and the banging of pots and pans by the majority of the Panamanian people were forbidden and repressed;
4. To condemn regime spokesmens' attempts to discredit the true objectives of the /Civilianization Crusade/, hiding behind false nationalism, making charges about alleged links with foreign governments, and seeking to confuse the citizens;
5. To condemn the distortion by regime spokesmen of the objectives of the /Civilianization Crusade/, an organization that has proven to have popular support, thus promoting a class struggle that has no justification in our society;
6. To demand the reversal of the absurd resolution by the legislative branch which unjustly and maliciously charges honorable and respected Panamanians with conspiring against the fatherland;
7. To demonstrate to the political parties that as long as the lack of credibility and distrust in the government institutions continues, there can be no free and honest elections;
8. To temporarily suspend, until further notice, the general sit down strike effective today, while maintaining the other measures of peaceful civil disobedience, such as honking horns, waving handkerchiefs, pounding on pots and pans at 1800; flying white flags from the houses; not paying taxes, light, water and telephone bills; not buying lottery tickets; gathering at the churches at 1700 to participate in mass, and other measures to be announced soon, until the government officials -- both civilian and military -- who have been accused and those who are implicated are discharged from their posts and the situations and charges are clarified;
9. To maintain the /Civilianization Crusade/ as a permanent national movement to coordinate actions and guide all institutions whose main objective is to rescue and restore the institutions that will guarantee /justice/ and a true /democracy/ in our country.
10. To urge the relatives of those who were arrested, wounded, mistreated, missing, or dead to report to the offices of the /National Civilianization Crusade/ located at the Chamber of Commerce, Industries and Agriculture of Panama, where the Office of the Permanent Human Rights Committee functions;
11. To express our solidarity with those Panamanian families whose members have been subject to repression, arrest, or any other violation of human rights, and to offer free of charge the legal services of members of the /Civilianization Crusade's/ Legal Committee, in order to provide access to the recourse and/or appropriate legal actions leading to their release once the suspended constitutional guarantees are restored;

We congratulate all the Panamanian people on their active, courageous and moralistic participation. The struggle to create consciousness among people on our path toward restoring civic and moral values and rescuing the institutions obliges us to remain united and to support one another.

The return of justice and democracy to our beloved Panama will be achieved with your permanent participation in the measures of civil disobedience we have announced and which must continue.

Issued in Panama City on 16 June 1987

[Signed] /for the National Civilianization Crusade/

Association of Automobile Spare Parts Distributors, National Association of Insurance Brokers (CONALPROSE), Panamanian Association of Insurance Rights, Association of Distributors of Sanitary Products, Association of Real Estate Brokers (ACOBIR), Association of Representatives and Distributors of Pharmaceutical Products (AREDIS), Association of Grocery Stores and Similar Enterprises (ACOVIPA), Panamanian Association of Insurance Brokers, National Association of the Fishing Industry, Panamanian Association of Business Executives, Panamanian Association of the Tuna Industry, National Association of Publicity Agencies, Association of Real Estate Property Owners, Association of Colon Free Zone Users, Panamanian Chamber of Insurance Brokers, National Publicity Council, National Union of Small and Medium Enterprises (UNPYME), National Productivity Council (CONDEPRO), National Association of Exporters, Roberto Ho, Aldo Picans, Panamanian Chamber of Construction, Association of Gas Distributors, Panamanian Association of Insurance Agents, National Agriculture and Livestock Producers of Panama, Trade Union of Panamanian Industrialists, Panamanian Banking Association, Association of Restaurants and Related Enterprises of Panama, National Association of Publicity Agencies [repeated as published], National Publicity Council [repeated as published], Panamanian Association of Movie Exhibitors, Kiwanis Club of Panama, Rotary Club of West Panama, Metropolitan Kiwanis Club, Junior Chamber of Commerce, Rotary Club of Northeastern Panama, Panamanian Active 20-30 Club, Lions Club of Panama, Rotary Club of Panama, Leo Club of Panama, Northeast Rotarac Club of Panama, Children's Welfare Association, Association for Panamanian Children, Children and Youth Committee, Union of Panamanian Female Citizens, National Civilianization Crusade (Chiriqui Chapter), Association of Doctors, Dentists and Related Professionals of the Social Security Institute, Independent Teachers Movement, South Panama Rotary Club, Chamber of Commerce, Industries and Agriculture of Panama, Group of Unidad Ladies, Association of Certified Public Accountants of Panama, Panamanian Association of Travel Agencies and Tourism, Association of Life Insurance Brokers, Association of Professors of the Republic of Panama, United Panamanian Teachers Association, Panamanian Association of Insurance Rights, National Association of Insurance Brokers [repeat as published], Panamanian Dentists' Association, National Association of Journalists, Panamanian Association of Engineers and Architects, Panamanian Association of Navy Officers, National Association of Concerts, National Association of Pharmacy Owners, Movement of Association Lawyers, Association of Private School Teachers, Panamanian White Cross Employees, Union of Transporte y Equipos, S.A., Action Student Movement (University of Panama's Law School), Santa Maria la Antigua University, Association of the Sacred Heart of Mary Church, Independent Union of CAS Stations of Panama

PRD'S LOPEZ TIRONE DISCUSSES PDC 'SEDITION'

PA130133 Panama City Domestic Service in Spanish 2030 GMT 12 Jun 87

[Statements by Democratic Revolutionary Party, PRD official Humberto Lopez Tirone, director of the Human Resources Education and Training Institute, IFARHU; no place given — live]

[Text] Good afternoon. Actually, my participation in this radio station network, which is covering the entire national territory, is a historic and doctrinal responsibility. Basically, I want to address the people of San Miguelito, Curundu, Pedregal, Rio Abajo, Calidonia, Santa Ana, San Felipe, and of other poor areas of this country that were benefitted by the actions of Omar Torrijos Herrera. I would also like to address the people of Los Santos, Herrera, Bocas del Toro, San Blas, Colon, Darien, Veraguas, Chiriqui, Cocle provinces and the communities that permanently follow the achievements of this process of change, which has been led by the Panama Defense Forces, by the PRD, community leaders, corregimiento representatives, and all national leaders who are committed to defending this permanent process of change.

I address the Panamanian people's movement, the people of Coclesito, the people of Rio Indio, and all far away communities in the mountains and jungles that are permanently committed to freeing this country. I want to talk about this national reality; I want to talk about the people's plan, but I must also state my position regarding Central America, which is immersed in bloodshed. I want to talk to all of you about the permanent commitment that all Torrijistas should have at the present time in view of the crisis caused by the national bourgeoisie, the oligarchy, and foreign forces that are taking advantage of the words of a former member of this process to implement a program of destabilization, a program which they had already prepared for the country before the end of this year.

It is important for the country's poor communities to know that those who are plotting against the lower classes are basically the sons of the rich, the men of the Union Club, the rich boys and girls of this country, who are against those who are going hungry and those in need. They are against the commitment to liberation that the people's movement and the poor sectors of this country are willing to carry on beyond the year 2000. It is important for all those who are listening to us in San Miguelito, Curundu, Calidonia, Pedregal, and Rio Abajo to know that basically this is a struggle of the oligarchy and that we must begin to organize ourselves in communities and neighborhoods. We must begin to mobilize ourselves slowly in view of the destabilization programs. We must begin to organize neighborhood committees and to protect small businesses that are now opening. We must protect cars and buses. All Torrijistas must protect the country's stability. It is important for all of you to know that the destabilization program is intended to make us cross the limits of patience and prudence. This country has been based on structures of peace, of development, and of social justice.

I recently talked to some friends and told them that the youth of this country did not know what a suspension of constitutional guarantees meant. They were unaware of the procedures of such a suspension, because in 18 years of this process of change, these measures were never taken. These measures were never taken, contrary to the oligarchic governments that preceded us, which, every 6 months of every year, in view of the people's movement, killed the people on the streets and jailed the people's leaders. Today's youths are unaware of these procedures, which we were accustomed to while defending this process of change, of peace, and of tranquillity that has been an example to the Central American countries that have been immersed in bloodshed.

The Christian Democratic Party has been at the vanguard of this sedition and of this destabilization in the areas of the bourgeoisie, and in the areas of the oligarchy such as San Francisco and Bella Vista, areas where they control the economic power, surrounded by middle and lower classes. We are not going to allow our achievements and our power to be lost. We are on the road of national liberation alongside the Defense Forces that have legitimately adopted a doctrine of changes. Based on that doctrine, we meet our commitments with our fatherland, with Omar Torrijos Herrera, in the sense that we will remain standing beyond the year 2000 until we have achieved our liberation and sovereignty process as well as permanent economic liberation for our entire country.

The Christian Democratic Party, which today is the head of these actions to destabilize the country, in Latin America represents two repressive governments. [one of which] is immersed in more than 150,000 deaths in El Salvador, saying it is legitimate because of alleged elections in which fraud was committed. Their government is supported by the United States of America and by an Army that has a different doctrine than ours. Their Army kills and murders its people continuously. What example could they give to Panamanian Torrijists, youths, peasants, workers, businessmen and to the people of the poor areas of the country. We must list the example of the crimes that are committed at those levels under the flag of the Salvadoran Christian Democracy.

Why not mention Guatemala now? In Guatemala, after apparent popular elections, the Christian Democracy promised for that country peace and national consolidation. However, they continue to repress the Guatemalan people. They continue to kill the labor movement. How many times have we seen in newspapers that many priests have been killed and beaten in demonstrations in Guatemala City itself?

In Guatemala City, the Christian Democratic Party has tried to show off the country. It is an example which we Panamanians laugh at. We laugh at them because our sons have been able to live and grow, not only with a Defense Forces that has been committed to this peace program, but with a people's movement that has been dedicated to building a new fatherland.

Why not talk about the Christian Democratic Party that heads today's destabilization in an immoral manner. [sentence as heard] In Chile and Venezuela they have been an example of treason and embezzlement. Their own ministers are put in jail and sentenced because of embezzlement. Why not talk about Italy? Why not talk about the FRG? Why not talk about Italy, which is the birthplace of Christian Democracy? Fascist and Nazi leaders have lived on the Italian Christian Democracy following World War II. Why not read the newspapers of the last 3 years that link the Italian Christian Democracy to drug trafficking and the Mafia? And they intend to be the example for this country? They are trying to distort the Panamanian reality; however, it is difficult to overcome 18 years of peace and changes. In 18 years we have had a people's movement, a student movement, community leaders, community workers, corregimiento representatives, and leaders in each of the districts and province in this country dedicated to construction.

Today they [Christian Democrats] do not obey the call for the suspension of the constitutional guarantees. They have group meetings in churches. They are meeting in small motorcades comprised of Mercedes Benzes, Jaguars, and BMW's with people who represent exploitation, repression, and persecution. This is the only country in which the oligarchy and the rich kids rebel. It really makes us laugh. We have allowed these expressions to go on until now, but now the Torrijist youth, community workers, corregimiento representatives, and the people's movement must be alert in their neighborhoods. They must meet to be prepared to act following the announcements that may be made in the next 24 hours.

They must be prepared to defend the process of changes, Omar Torrijos' plan, and the permanent ties between our Army and our community leaders to the last consequence. We must defend the program of national liberation. We must hold small meetings. We must organize ourselves to protect our buses, our private businesses that are opening up again to achieve peace and stability in our country.

It is important for us that the people face the rich people who want to rebel against law and order in our country. It is important for our people and bank workers to know that their wages will not be paid. By closing their doors, they will not be able to eat today. But each one of the managers and executives of these banks who have plotted against the country's stability and who have lived on the financial center established by Omar in this country, will eat tomorrow and they have already cashed their checks. It is important for everyone of the poor people to know that Omar Torrijos Herrera, with his comrades-in-arms and the real leaders of this country, committed to this process, will not allow our positions to be lost. It is important for the poor people to know that in view of damaged government enterprises, we will have to prepare ourselves to answer the oligarchy. In view of a burned car [as heard] of the people, we will have to prepare ourselves to answer back according to the evolution of this conspiracy. I would like to conclude by mentioning a few words from our book "Panama, a Democratic Revolution:" Historically, great structural changes have taken place in times of crisis. Today, instead of changing our path, the crisis allows us to create the necessary conditions for us to assume our original position. A response to the crisis and to the oligarchic actions will sooner or later take us back to the path of a democratic revolution. We cannot deny our people the right to continue the process of changes begun by Omar Torrijos. A new generation of civilians and military men is committed to this liberation duty. This is our historic responsibility. I believe the time of commitment to our people is near. We must make great sacrifices. The world that watches us and the friends of Omar will be our moral support. We must finish off the work that was begun with this democratic revolution. The challenge is here and the time will be imposed by history.

General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces and leader of this process of changes, leaders of the PRD, and leaders of the other allied parties, leaders of the people's movement, of labor unions, community leaders, corregimiento representatives, may you all know that the Panamanian youth ask you to defend the peace process and the process of changes beyond the year 2000. The youth and the Torrijista youth are ready to take to the streets and defend Manuel Antonio Noriega's doctrine in the path of national liberation. You are not alone, you not only have an Army of 15,000 men, you have an Army of Torrijistas, of 200,000 men who are alert and ready to go to a national mobilization. Thank you very much.

Communique Raps Sedition

PA172134 Panama City MATUTINO in Spanish 16 Jun 87 p 33

["Communique to the Nation and the people of San Miguelito" issued by Democratic Revolutionary Party (PRD) in San Miguelito Municipality, Zone 5; no date given]

[Text] Roberto Diaz's Statements, Political Program of the Seditious Movement [subhead]

The issues brought out by former [as published] Colonel Roberto Diaz Herrera in his recent public interviews are not new and do not differ from those raised by the opposition or by sectors of the U.S. Government and press in recent smear campaigns against the general [General Manuel Antonio Noriega, commander in chief of the Defense Forces of Panama (FDP)] and the FDP. The intent is to besmirch the reputation of Gen Noriega and his General Staff through a man who was "inside" the institution. This is to ultimately divide it and bring about a change in direction that would, according to them, provoke a "coup d'etat by the most backward sectors" or, better put, by sectors "subservient to U.S. policy." For this reason, the mentioned military man became part of the strategy, a standard-bearer of the opposition's dark political plan, a representative of the interests of the old oligarchy, and a conscious political tool to put into implementation the seditious movement, the conspiracy, and the destabilization plan.

OBJECTIVES OF THE SEDITIOUS MOVEMENT [subhead]

The goal of the opposition campaign is to divide the FDP and reinstate the old oligarchy, which does not hide its greed and its urgent need to obtain new wealth to the detriment of the Panamanian people. To do so, they must recover political power regardless of the means.

The strategy seeks to guarantee to the Reagan administration that there will be a docile government ready to become involved, like cannon fodder, in the current war in Central America, which has brought bloodshed, sorrow, and death to over 150,000 humble people in our sister nations. What was the intention behind the use of the Machiavellian tools of chaos, violence, and subversion?

It is obvious that, in the event they cannot achieve political power through their own means, they want to give the United States the pretext it needs to claim that the canal installations are not secure and -- invoking the neutrality treaty -- to intervene militarily in our territory, to retain control over the canal, to maintain its military complex here beyond the year 2000, and, therefore, to prevent us from recovering this asset that is fundamental to the solution of the Panamanian people's major socioeconomic problems, thus trampling on our sovereign rights and national honor.

U.S. EMBASSY IN THE CONSPIRACY [subhead]

The recent communique of the U.S. Embassy showed what the motives behind the destabilization campaign are. Once more, it was couched in a threatening and imperious tone. Without any diplomatic tact, Ambassador Davis pointed out that the military must return to its quarters, thus meddling in the internal affairs of a country like Panama, which has been struggling to preserve its sovereignty and national dignity.

In addition to the communique, there is the ill-intentioned letter by several U.S. senators who, claiming to be concerned over democracy and human rights, have tried to make the Panamanian people lower their guard and vigilance over the treaties as well as to cover up their repeated campaigns of intervention and colonial dominance over other countries.

CIVIL DISOBEDIENCE: ONE MORE SEDITIONOUS STEP [subhead]

In a desperate attempt to maintain the climate of unrest, anxiety, and insecurity, the opposition has tried to give direction to the movement and has launched, as a further step in its seditious campaign, "a crusade for recovery of justice and democracy" aimed at eroding the government's economic base.

Who will suffer the consequences of the failure to pay taxes, and the water and electricity bills, etc.?

The humble sectors will. If the state does not collect funds, how can it finance the salaries of 150,000 Panamanian families, education, health, power and water services, roads, social security, housing programs, public works, etc., which are so urgently needed for the workers, peasants, students, and the development of our communities?

The so-called measures of "civil disobedience" confirm the seditious campaign that the enemies of the Panamanian people are carrying out against Torrijism and its democratic institutions. This campaign consists of encouraging subversion, thus promoting chaos and the anarchy that deteriorates into violence and undermines the sacred right of citizens to live in peace and have collective security.

TORRIJISM'S DEMOCRATIC INSTITUTIONS MUST BE VIGOROUSLY DEFENDED [subhead]

The seditious, destabilizing campaign has been under way since 1978. Its first victory was the repeal of the educational reform law -- proof of the oligarchy's incompetence is that up to now a new educational system has not been devised -- and the amendment of the labor law and the 1972 Constitution. The continuous attacks on progressive people, the pressures of international banks and credit agencies to stifle our country's development, added to the errors and deviations caused by the ambitions of some of the "hierachs" of the process who abandoned Torrijism, create conditions that favor this discontent. The purpose of the campaign of pressure is to eliminate the social base that supports the process, stifling the Panamanians economically and socially, and destroying the democratic institutions created by Torrijism. This is why today, more than ever, we must energetically defend this institution, because the opposition wants to create institutions that serve the aristocrats [rabiblancos], the oligarchs, and U.S. interests.

THE OPPOSITION DOES NOT HAVE SOLUTIONS TO THE PANAMANIAN PEOPLE'S PROBLEMS [subhead]

It is clear and it has been demonstrated that the opposition does not have a social program to present popular options for development. Their only interest is to obtain power at whatever cost. These are precisely the people, the most powerful economically, whose political power was hit by Torrijos. However, their economic power was never affected, and during the years they have increased their profits, with which they are financing sedition and trying to destabilize the country.

THE PEOPLE OF SAN MIGUELITO WILL NOT PLAY THE OPPOSITION GAME [subhead]

In spite of the opposition's historic [as published] calls for us to take to the streets, our people know who their real leaders are, have been and will continue to be. The aristocratic "leaders" are not known in the streets of Samaria, Veranillo, Monte Oscuro, 9 de Enero, etc. We have never seen them talk with the people about how to resolve their problems. We have never seen them organize projects, tasks, and programs to pull our district out of the prevailing social difficulties, or even propose solutions for achieving a fairer social development. Now they are attempting to call up and channel the dissatisfaction that has sprung up in the district as a result of a complex economic problem that is also felt by other nations in the world in an attempt to use our grandparents, mothers, wives, children, etc., as "cannon fodder" to satisfy their voracious appetite for power and their personal ambitions. The people of San Miguelito will choose and defend the options left by Omar [Torrijos] which we will never be able to achieve by violence or by surrendering our country, as the pseudo-opposition proposes. THAT IS WHY SEDITION WILL NOT PASS IN SAN MIGUELITO.

THE PANAMANIAN PEOPLE DEMAND RECTIFICATION NOW! [subhead]

Today, more than ever, the top leaders of the process must take measures that will strengthen Torrijism and a popular solution. It is clear that the aristocracy is being supported by the gringos. The response to this must be the same as General Noriega's response: NOT A STEP BACKWARD! Sedition will not pass. We must defeat the opposition by mobilizing Torrijism. We must strike at sedition with a socioeconomic program to get to 1989 and 2000 by the only democratic path that will lead us to peace, progress, and welfare. We cannot allow ourselves to FLIRT with sedition, which has all the support of the empire. As OMAR said: "WE WOULD BE REALLY STUPID IF WE LET OUR GAINS BE WRESTED FROM US."

PRD ZONE 4 San Miguelito

San Miguelito Municipality

U.S. AMBASSADOR ACCUSED OF 'ALLIANCE WITH TURNCOATS'

PA161718 Panama City CRITICA in Spanish 16 Jun 87 p 8

[Article by "prominent" Democratic Revolutionary Party member Carlos Ortiz]

[Text] I accuse U.S. Ambassador Davis of being tactless and prepotent.

How much longer are we going to allow Ambassador Davis to directly interfere in our country's internal affairs? Stop giving orders, Mr Ambassador. Remember, Mr Ambassador, this is an independent and sovereign country. Do not interfere in problems that do not concern you. End the alliance with the turncoats. The canal is ours, and nothing and no one will hinder the fulfillment of the Torrijos-Carter Treaties. We are going to deal with the ill-fated U.S. Law 96-70 in the future. The people know their rights. Do not contribute to the public disorders. Limit yourself to carrying out the duties your post assigns to you. With perverse intentions, your embassy is issuing communiques harming our nation's integrity. What is happening to you? Have you lost your sense of proportions? You are acting like a patron, like the big shot. Review your policy and you will realize you have taken the wrong path.

The United States cannot speak of human rights, because blacks are subjugated because they are blacks. The United States has condemned Latin America to hunger and misery, imposing the prices it wishes on our products, because it is the leading country. What can you say about the filthy Irangate? We are living in the atomic era, but in the United States, Chinese, Hindu, blacks and others are actually considered undesirable races and are condemned to live in marginal neighborhoods as if they were not human beings.

The United States rises or lowers the value of the dollar at its whim, regardless of the increases in the cost of living. You had imposed a colony in our own territory, being arbiters of life and death. This is the end of all that, Mr Ambassador. The big stick times are over. History will some day speak of the bad Panamanians that have allied with you. Their names are known; they will be punished because they want to sell our sovereignty. They would like us to be another star on the U.S. flag, wretched men! We would rather eat grass than maintain our status as a country free from bonds. Our flag waves with pride, because it is held by a people that follow the teachings of a great man: Omar Torrijos.

Do not even think you are going to frighten us with those communiques that only serve to deteriorate our relations. Think for a while, Mr Ambassador. By favoring and encouraging the enemies of the homeland, you are only opening another breach. Omar said: It is better to be dead, than to be on our knees!

Urged To Revise Actions

PA161701 Panama City MATUTINO in Spanish 16 Jun 87 p 6

[From the "Moyolandia" column by Harmodio Icaza]

[Text] Both local residents and foreigners must admit the professionalism and calmness of the Defense Forces today. There is not a single political prisoner; not a single home has been raided; no private residence has been expropriated or occupied (although some are being used to print subversive literature); there has not been a single death.

It would be wise if the U.S. ambassador revised his current actions in the crisis. It is difficult to believe he has been deceived while acting in good faith. I cannot recall a single occasion in which Panama has declared an ambassador persona non grata, and I would think Mr Davis' experience would be a better adviser.

MAYIN CORREA ON THREATS TO RADIO STATION

PA081628 Panama City Radio Continente in Spanish 1415 GMT 8 Jun 87

[Statement by Mayin Correa, journalist and Panamanian legislator; place not given -- live]

[Excerpts] Good morning friends. This is Mayin Correa speaking to you after a very hectic night. This station has supported democracy. This station has suffered the most terrible attacks by the officials in power. This station and the family which owns it has suffered everything from fines, outrages, dismissals, to all types of pressures. Last week, a nephew who earned \$150 was dismissed. The only thing left is for us to be sent to the firing squad.

But this station, which has a team of young reporters who believe in reporting on this country's news war, has given the true news. You will never understand how hard we are struggling so that we can live without fear in our country. We do not want our public career and this station to end like Colonel Roberto Diaz has ended, overwhelmed with an uneasy conscience. They are never going to find us like that, we are going to sleep easily, perhaps in our huts in Macaracas [her birthplace]. There should be an end to fear in this country.

Now this station is being threatened by Mr Rodolfo Chiari [government and justice minister] who is offering \$250,000 for this station. If the Panamanian people permit Popito [Chiari's nickname] Chiari to buy Radio Continente because of the station's financial crisis -- which he is well aware is because of the pressures -- I will leave the country. If the Panamanian people permit us to live in fear to maintain a station which is not the livelihood of the Correas...[sentence as heard]. It is the livelihood of Panamanian democracy. This station is the bulwark of Panamanian democracy. The Correas do not live off this station. This station nourishes Panamanian democracy. We are not going to permit it. If the Panamanian people permit the government through Popito Chiari to close or buy the station as he is now trying to do with my brother, Rodrigo Correa, the Panamanian people deserve 20,000 dictatorships until the year 2000.

(?It is time for) threats to end. If the Panamanian people are not here supporting this station's security -- which is the only one that has dared at the expense of feeding our family, many of whose members are out in the street without jobs -- then the Panamanian people deserve to continue to endure dictatorship.

I am going to continue speaking here. I have just called my brother at the Government and Justice Ministry and I told him, Canita [brother's nickname] Correa, do not make a deal with anyone and do not make any promises to Chiari. Let them close the station and let the world know once again that there is a dictatorship here. Let us not conceal this. Let us run the risk. The Panamanian people are the ones who have to guard this station because it is not the Correas' station because they do not earn their livelihood from it. It costs the Correas much grief and work to keep this microphone open. This station's reporters are the ones who have not slept, who earn low wages, who have early morning risks, endure threats, and are followed. If the Panamanian people still do not know what democracy means, if they still do not understand that one cannot live peacefully without freedom, as Col Diaz Herrera has been unable to live...[sentence as heard].

Today Diaz Herrera is confused, overwhelmed, really suffering, without being able to enjoy what he has. He will be unable to enjoy it. If the Panamanian people -- with Col Diaz Herrera's example, with his anguish over the bad things he has done and the repression he carried out -- if they still do not understand the meaning of a dictatorship, then let us have a dictatorship in this country until the year 5000.

It is the Panamanian people who have to defend this microphone. I am doing my part now. My family is doing its part right now. They have been unable to sleep. But if the Panamanian people -- I do not care who they are or to what party they belong... [changes thought] what has to triumph in this country is freedom, we have to lose our fear, we have to end the corruption that has the people suffering in incredible misery.

If this station is not defended by the Panamanian people, let them close it. Let Popito Chiari buy it for the \$250,000, which is not its value. The time has come for an end for just a few, like the Correas, to defend the freedom of the Panamanian people. I do not want to do anything in this country. I want to retire. My son has already been educated. What I do I do for the Panamanian people. I am sick of living in fear! I am sick of living in fear! I am sick of having my son afraid! My fear is going to end today! [Correa begins crying; microphone is briefly taken by Elsie Batista de McKay of Authentic Panamenist Party who expresses support for Correa and the station]

[Correa] If you do not protect this situation, we deserve the dictatorship in this country. If the Panamanian people do not understand the meaning of freedom and if they do not understand what it is to live in fear like my family and I have lived, then we deserve the dictatorship. I have taken the greatest risks...

[Batista de McKay, interrupting] It is time for the Panamanian people to take to the streets. We can no longer continue with this dictatorship [5-second break in reception] ...Col Diaz Herrera is the mastermind of the assassination of Hugo Spadafora. He's the mastermind of the biggest fraud ever committed in our country. We cannot speak about establishing a provisional government. We cannot speak about forming a constituent assembly. Here we have to say that Arnulfo Arias Madrid is the real and authentic president of the Republic of Panama. Dr Arias should already be in the Presidency. I call on the Panamanian people in general, on the great mass of Authentic Panamenist members to all demand that Dr Arnulfo Arias should already be in the presidency. He is the one who won the elections. From here, I want to issue a call to the Panamanian people to defend this station which hour after hour early this morning covered such significant events with very young reporters. A very young colleague covered... [5-second break in reception]

[Correa] They are cutting our power off once in a while. I got emotional because we have not slept. My brother has been in the Government and Justice Ministry. This is the 10th time that they have offered huge sums of money for this station. This station reporters earn low wages. Private enterprise has sponsored this news war. It was shameful to hear the communications media of this country today. Why does private enterprise support the media which lie, which distort, which sell-out, which hide the truth, which follow Machiavellian tactics of distorting the truth, of spreading lies, of concealing the truth? Why? [passage omitted]

We are going to continue transmitting. We have to raise awareness. It cannot be that a person says he has proof of this and that, of corruption, of everything, and today, the judicial branch of my country has not brought him to trial so that he can accuse those whom he has proof against. In what country are we living? That is not democracy. Democracy is where a judicial branch is serious and responsible. Democracy is where the news media investigate and report the truth and not the truth that they are told to report. No, we have always told the truth. That is why today they want to buy us and they are probably going to close us. They are probably going to close us if the Panamanian people do not defend their communications media. [passage omitted]

We cannot live in a country without freedom. This is the time for the Panamanian people to respond. What credibility could totally controlled media have? This morning they were totally the same. This morning they had the same version of the newspaper CRITICA which has slandered Msgr McGrath [Panama archbishop] and everyone in this country. What credibility could that newspaper have? It has dedicated itself to slander. All the others followed the same line as CRITICA. This is not freedom or democracy. We have to live in democracy, without fear. I am sick of living in fear. That is the truth because I know many things and I am afraid that what happened to others will happen to me. I am sick of living in fear. I want to live in a free country, without fear. I have not done anything to anyone. All I have done is tell the truth. But to say the truth in a dictatorship is to run the risk others have taken. I have not stolen anything from anyone. I have not harmed anyone, I have not killed anyone. I have dedicated myself to serving others. Why should I have to live in fear? [passage omitted]

If the Panamanian people do not protect this station today, Popito will probably already be issuing the order to close it, saying that we owe money. We do not owe a single penny for electricity. We will have our electric bills here to show that we do not owe a penny. Even if we owed money, that is no reason to close a station because I know of other stations that owe millions.

Therefore, friends, come protect this station which might be closed. If it is closed, the dictatorship has gotten worse. If this station is closed, it would be a clear sign that things will get worse in this country and we cannot permit this.

MSGR MCGRATH ON MILITARY, THREATS AGAINST PRIEST

PA151915 Panama City Circuito RPC Television in Spanish 1752 GMT 15 Jun 87

[Interview with Archbishop Msgr Marcos Gregorio McGrath by an unidentified reporter; date and place not given]

[Text] Msgr Marcos Gregorio McGrath has stated that the current national situation calls for national reconciliation. Let us listen to his statements.

[McGrath, in progress] The problem that the church and various sectors of the country has been seriously analyzing is the professionalism of the military sector. It is very important for Panama to have a good military to defend the nation and the canal. However, the position of the military vis-a-vis the executive, legislative, and judicial branches must remain within constitutional norms. Each sector must do its respective duty. That position certainly complicates our relations. In addition, we know the Armed Forces sometimes feels threatened as if criticism would deprive them of their functions and professionalism. It must be stressed that that is not the case. When are we going to be able to talk openly like Panamanians, regardless of one's party, about those things without confrontation or a sort of political war that must then be expressed in repression, civil disobedience, etc.

I think the current crisis is not a new one. It is an expression of symptoms that have been felt for a long time. It is necessary to review the causes of those symptoms to resolve our uneasiness, which is moral and social unrest. I hope we will have the strength, the will, and the honesty to do so. This is what the church must do. That is what I, you, and all of us must do.

[Unidentified reporter] Msgr, we have learned that some members of the Catholic Church, some priests, have been threatened and that some have even requested political asylum?

[McGrath] Well, yes. You know in times like these, there are always irresponsible groups. We have expressed our criticism to the military and civilian authorities. We have told them that some military groups are committing abuses and excesses. However, there are groups that take advantage of the situation, such as the rod-toting thugs [varilleros], as they call them, who are armed with rods and weapons and threaten people in the various neighborhoods to sow terror. This causes violence, because people respond to attacks. One of those groups went to one parish, I will not say which parish, crying that they were looking for a priest and accusing him of being the cause of the street demonstrations, the honking of horns, etc. It turned out that that priest had not been in his parish all day. He was in another mission conducting activities we had told him to conduct. Thus, what those groups said was completely false. In addition, a prominent member of a labor union also accused the same priest on the radio. Logically, the priest got scared and requested asylum in a consulate. He called me from the consulate, and we went to pick him up. He is fine now. I am not going to say where he is, but he is fine. This is the type of thing that should not occur. The accusations were completely false and irresponsible, but this is likely to happen in this atmosphere of fear and tension that has been created. Therefore, we are requesting that the state of emergency be lifted as soon as possible, because such a state more or less promotes this type of thing.

[Reporter] Which political group attacked the priest?

[McGrath] Well, they did not attack him, they threatened him. In this case it was a PRD [Democratic Revolutionary Party] group.

NORIEGA INTERVIEWED ON CENTRAL AMERICA

PA110250 Panama City Televisora Nacional in Spanish 0000 GMT 9 Jun 87

[Interview with General Manuel Antonio Noriega, commander in chief of the Panamanian Defense Forces, by Guatemalan reporter Jorge Palmieri at the Camino Real Hotel in Guatemala City on 6 June -- recorded]

[Text] [Noriega] We are determined to achieve peace, that is why we are members of Contadora. Although Contadora has not completely achieved its goal, it has prevented the spreading of the war. It is my theory that Contadora should be reinforced by the military, because the military knows the art of war. The insurgents are the ones firing shots along with the soldiers. The diplomats are not at the battles. Therefore, with due respect, I feel Contadora should receive military advice.

[Palmieri] You are a military man and not a diplomat although you have such an important position in your country. Does it bother you that you are called Panama's strongman?

[Noriega] That is an expression that emerged during the dictatorships of the sixties and seventies. I am not a dictator so... [sentence as heard].

[Palmieri] But does it not bother you to be described in that manner constantly?

[Noriega] Yes, I know it is done to bother me.

[Palmieri] It is to bother you?

[Noriega] To bother me and undermine my statements I believe the expression has that negative side.

[Palmieri] This means you prefer to be considered simply the chief of the Panamanian Defense Forces?

[Noriega] Correct.

[Palmieri] In this regard you have made a very good political and diplomatic effort because you have been traveling all over the world, as I can see from your itinerary. They say you are a very skillful politician and diplomat, and that you keep one foot in Havana and the other in Panama. What do you say to this, General?

[Noriega] This is not so, not so at all. It is simply that positive things cannot be black or white. Positive things, the light is born from both positive and negative, when both unite [sentence as heard]. Our country, as I told you before, is wide open to all trends. We are not surprised by any sort of human being because we have seen everything in our country's streets. We are not surprised by any ideological manifestation because we have heard it all. Despite having heard it all we have not been stained. The fact that we can talk with Havana, because our country has relations with Havana, does not imply that we agree with Havana. All countries of the world should have relationships like that.

[Palmieri] Do you think there is the possibility of maintaining peace in Central America and that Sandinist Nicaragua will not promote an expansionist policy [words indistinct]?

[Noriega] Well, that is an interesting question. I believe that -- and this is why I have talked about the military participation in the Contadora group -- the Central American military officers should sit down and talk with the Sandinists and speak with them militarily. This should speak clearly and frankly. They should analyze the military situation. They have a de facto military situation. So, [words indistinct] and if this situation affects Panama, putting Panama first, if it affects Costa Rica [word indistinct] El Salvador, and if it affects Guatemala, then the military officers [words indistinct] can talk with them because it is a military situation.

[Palmieri] Does it mean that if the Central American military men would talk with the Sandinists [words indistinct] a confrontation would be avoided?

[Noriega] I think so. I think that if the chiefs of state of each country would authorize their military officers to talk about a true coordination of the problem an analysis could be started. If not the Inter-American Defense Board, the COPECODECA [Permanent Commission of the Central American Defense Council], and the CONDECA [Central American Defense Council] could make the analysis. However, they are only analyses on paper.

[Palmieri] [Question indistinct]

[Noriega] That is part of the study. That is part of what will be discussed.

[Palmieri] [Question indistinct]

[Noriega] I feel that [words indistinct] in the military aspect and this could be part of the coordination, together with the diplomatic effort, we are not excluding it because the relations among the various countries are conducted through diplomatic channels. However, the diplomatic channel is no [word indistinct] because the reality is a military confrontation. Therefore, the military men must begin to make an analysis and [words indistinct].

[Palmieri] My general, you are a very pragmatic man. How else do you think the situation could be solved if it gets more tense than it already is, if Nicaragua [words indistinct].

[Noriega] Many times we have had to be members of working teams that have obtained the release of people of El Salvador, including President Durate's daughter and other [words indistinct]. These groups of rebels said that [words indistinct] that they want to talk [words indistinct]. I think that the Salvadoran Church is very interested in achieving peace. [Words indistinct] the Catholic Church's initiative in El Salvador.

[Palmieri] Do you believe in the remote possibility of a U.S. intervention in Nicaragua?

[Noriega] I have heard statements and analyses from U.S. strategists at different times. Back in 1982 and 1983 there was talk about an invasion. There were strategists who thought that was the solution. Nowadays, they have changed their mind. Every man should cooperate because destruction affects all.

[Palmieri] What would the Nicaraguans have to do?

[Noriega] They should have to give a lot. They would have to accept any mistakes they have. They should have to accept that they have to let others live in peace so they can live in peace.

[Palmieri] Even if they have to risk losing power?

[Noriega] If their people believe in them, they cannot be running any risks. [Words indistinct] They say they are popular. Then, the people will defend them.

[Palmieri] I will ask no more questions, General. I thank you very much for this session. I hope you have a good trip to Panama and please convey the greetings of Guatemala to all Panamanians. Thank you. It has been a great pleasure to talk with you.

[Noriega] Thank you. It has been a honor to talk with you. I know you are a great reporter. You are an independent and intelligent reporter. I congratulate you because, some times, when one...[changes thought] I personally have certain apprehension of newsmen because most of them are not going to ask questions but look for a weak spot [words indistinct] So, this was a positive dialogue. I congratulate you.

BRIEFS

NEW VENEZUELAN AMBASSADOR -- The new Venezuelan ambassador to Panama, Faustino Pulgar Gruber, has officially presented his credentials to Panamanian President Eric Delvalle. Pulgar Gruber was formerly Venezuelan deputy foreign minister and ambassador extraordinary and plenipotentiary to Nicaragua. [Summary] [Panama City LA ESTRELLA DE PANAMA in Spanish 11 Jun 87 p A2 PA]

ECUADORAN ENVOY LEAVES -- Grivaldo Mino, Ecuadoran ambassador to Panama, has visited President Delvalle to bid farewell after several years heading his country's embassy in Panama. [Summary] [Panama City LA REPUBLICA in Spanish 10 Jun 87 p 2 PA]

LAT 18 Jun 87

S O U T H A M E R I C A
ARGENTINA

K 1

AIR FORCE COMMUNIQUE DENIES ARMED FORCES ANIMOSITY

PY171428 Buenos Aires DYN in Spanish 1152 GMT 16 Jun 87

[Text] Buenos Aires, 16 June (DYN) -- The Air Force chief of staff has released a communique refuting an article published in a metropolitan daily on 15 June. The Air Force states that the article intended to create a spirit of animosity among the Air Force, the Army, the Navy, and the government. The text of the official communique reads as follows:

"In view of an article published in the morning paper AMBITO FINANCIERO on 15 June entitled 'Air Force Revives Disputes With the Rest of the Armed Forces' signed by Carlos Tortora, the Air Force chief of staff wishes to inform the public that the statements published in the article are false and are not based on any written document or on one being written by the Air Force.

"The only Air Force document on the reorganization of the Armed Forces was released during a meeting attended by the secretary of defense, the Armed Forces joint chief of staff, and the chiefs of staff of the Army and the Navy at the end of 1986. The document does not bear any relation to what is published in AMBITO FINANCIERO. What is worse, the author did not provide any evidence to support his statements in the article.

"The following conclusions can be drawn from an analysis of the article: First: It casts doubts on the integrity of the Air Force and seeks to pit it against the General Staff and the other branches of the Armed Forces.

"Second: It seeks to predispose the different branches of government and the Argentine public against the Air Force.

"Third: It intends to turn the military issue into front page material for national and international news media by claiming nonexistent disputes among the different branches of the Armed Forces.

"Fourth: It tries to create a new military crisis by interfering with the government efforts to constructively plan for the future in a peaceful environment.

"Fifth: It uses expressions conveying the idea that the Air Force is the only branch that can be trusted by the government, hence arousing a feeling of uncertainty among the other branches of the Armed Forces.

"Sixth: It intends to prove that the Air Force covets naval aviation, which is absolutely false.

"Seventh: It wants to give the impression that the Air Force is meddling in the reorganization of the other branches of the Armed Forces by getting involved in areas that do not fall under its jurisdiction, which is false.

"All this is very remarkable because the author repeatedly presents the Air Force as involved in a dispute with the Army and the Navy, inventing in the process actions and intentions that are false. "We might then ask: Who is financing this campaign against the Air Force? And for what purposes? To what vested interests does it respond? The Air Force does not yet have the answers."

ARMY CHIEF CARIDI VOWS TO OBEY DUE OBEDIENCE LAW

PY172313 Buenos Aires TELAM in Spanish 1438 GMT 17 Jun 87

[Text] San Miguel de Tucuman, 17 Jun (TELAM) -- Army Chief of Staff General Jose Dante Caridi made the following statement here today: I will abide by the Due Obedience Law. If I am summoned, I will appear before a court. What is mandatory for an officer is also mandatory for the chief of staff. Therefore, if I am summoned, I will obey.

Caridi made these remarks in reply to a question on a case currently being heard at a San Martin Federal Court in Buenos Aires, and in which he is involved.

Asked about the Due Obedience Law, Caridi said: That is a topic over which I have no jurisdiction and which falls within the area of responsibility of the national authorities.

Caridi added: We are going to abide by the Due Obedience Law because it is what we have and because we trust that it will be effectively applied. No further comment.

Caridi, who arrived this morning in Tucuman on a 10-hour inspection visit, reiterated that absolute tranquility and normalcy prevail in all military units nationwide. He added that we are on the correct path to achieve the much desired reconciliation among all Argentines. He said: I think we have started a very promising stage and we will undoubtedly achieve reconciliation in the near future.

The Army chief of staff said that all Army personnel have been busy complying with their respective duties; that is, implementing the educational and training program established for this time of year. I am absolutely satisfied with what I have seen because I have found people who are enthusiastically and totally dedicated to their professional tasks.

Asked about some draft documents which, according to a press report, have been attributed to a group of officers interested in saving the honor of the Army, Caridi said: That remains to be seen.

He added: I have not seen those draft documents; I do not know what subjects were touched in them. I have read something in a magazine, but what matters for the Army is what the chief of staff and its commanding officers within the Army structure have been doing. This is what matters for our Army.

After stating that the creation of new military schools in the country are not being considered, he said that there are ongoing studies on compulsory military service. He noted, however, that he does not know whether the drafting age could again be established at 20, although this is a possibility.

Caridi, who attended a special formation at the 19th Infantry Regiment, reviewed the troops, met with officers and noncommissioned officers, and attended a military parade at the "northern Army" parade ground of the regiment. No speeches were made.

The Army chief of staff will pay protocol calls on the provincial governor, the mayor, and the archbishop of Tucuman. Later, he will preside over a meeting of officers at the 5th Brigade. He is scheduled to return to Buenos Aires at approximately 1800.

SARNEY HOLDS NEWS CONFERENCE ON NATIONAL ISSUES

PY180240 Rio de Janeiro Rede Globo Television in Portuguese 1402 GMT 17 Jun 87

[News conference by President Jose Sarney with reporters from Planalto Palace in Brasilia --live]

[Excerpts] [Passage omitted] [Reporter] Ana Maria Pacheco, ZERO HORA newspaper, Rio Grande do Sul. One of the essential conditions for the Bresser plan to work and for the IMF to approve it is to reduce the public deficit, which is currently calculated at 6.7 percent of the GDP. If this is so, what alternative is the government preparing to help bankrupt states with a \$20- or \$25-million deficit? How will this aid be compatible with the need to drastically reduce expenses?

[Sarney] Your question gives me a chance to discuss a much-debated subject in this country: the public deficit. People often think that the public deficit is generated by the expenses of the federal government, and that the federal government wastes money. I want to separate federal expenses from the overall public deficit.

The federal government spent only 17 percent of its general budget to pay personnel and 7 percent to pay for administrative expenses. This means that our administrative mechanism is not a gigantic machine that wastes money.

Regarding this issue I have some figures here. Civilian and military personnel accounted for 19.2 percent of the federal government's overall expenses in 1986. This year, the federal government is spending 17 percent, which means we are reducing this expense.

Regarding administrative expenses, last year we spent 8.5 percent of the amount allocated for overall expenses, while today we are spending 5.7 percent. This shows that this administration is rationalizing its administrative expenses. This means we have an austere administration, and you know perfectly well that this administration does not think it is having a party.

Now, what really happens is that we have expenses which do not depend on the will of the government but are related to the structure of the country. For example, we spent 234,609,000,000 cruzados in transfer payments to states and municipalities. This represents 19.2 percent of total revenues. This year we reduced this expense to 17 percent. Last year, 9.8 percent of the federal government's overall expenses consisted of transfers to state companies, while this year this percentage will rise to 19.2 percent. This means that this sector is the one most responsible for the increase in the public deficit.

Why? Is this the government's will? No. Utility rates have been reduced, but this has only served to fuel inflation. This is the result of many years during which utility rates have been kept low. Consequently, the people now believe that rates must remain unrealistic, and that they must be paid by the government, when in reality society as a whole indirectly pays for these low rates. This same society refuses to pay realistic utility rates.

Another factor deals with net expenditures on agricultural products. We are all aware of the pressure exerted on the government by the agricultural sector, which is an important sector that has responded to the national challenge of meeting our domestic needs. Well, federal expenditures on agricultural products have totaled 110 billion cruzados, which in 1986 accounted for 1 percent of the GDP and in 1987, 1.2 percent of GDP.

Subsidies to cover the price difference in the marketing of wheat, which we have just discontinued, were also to reduce the public deficit by 41 billion cruzados, which represented 0.9 percent of the budget in 1986, and which would have represented 0.5 percent of the budget this year.

Subsidies for rural loans, other products, and prices of Federal Government Purchases, AGF, have totaled 68 billion cruzados, which represented 0.1 percent of the GDP. This year, they rose to 0.7 percent of the GDP in view of the need to meet the needs of the agricultural sector.

Subsidies to rural loans; from 0.2 percent of the GDP, this year rose to 1 percent of the GDP.

Through these figures, we can see that these are the factors that have been fueling the public deficit, in addition to interest and other payments on the domestic public debt, which is the portion of the domestic debt we are forced to reschedule. I must inform the nation that the public debt, which in 1986 accounted for 2.3 percent of the GDP, in 1987 represents 2.2 percent of overall federal expenses, this year it will represent 13.8 percent. This shows that the government has closely scrutinized the organizations subordinated to it.

Furthermore, we should take into account the expenses stemming from the public debt, which represent between 1.7 and 1.8 percent of the GDP; the Central Bank's net liabilities on foreign currency exchange; and some other figures that will bring the total to nearly 2.3 percent of our GDP.

This is our public deficit. People often think that the federal government -- its personnel and costs -- is responsible for the public deficit. We have verified with figures that Brazil has an administration that is among the most austere in the world. I believe that in comparison with underdeveloped and developed countries, the small amount with which we maintain the national administrative mechanism would not shock anyone.

We currently have a completely disorganized economy. The country has gotten used to subsidies, to thinking that the state has a magic wand that can grant us anything. In reality, the state has only three sources of income: taxes, compulsory loans, and bonds.

The Brazilian tax burden, which we find enormous, is one of the smallest in the world. Our net taxation amounts to 9.6 percent of our GDP. Our revenues are then reduced through government incentives, which return money to the taxpayers.

This is the general picture of our country, which cannot be denied by anybody. We cannot create a false impression by making believe the government can easily reduce the public deficit. Public deficit is a structure hard to modify because of the pressures felt within the government and because of the general belief that the government can do everything.

The government can do some things, but not everything. How? Even with our limitations, we are still able to respond to all the pressures. We have seen farmers asking for subsidies from banks. These subsidies are really paid by depositors.

This is our national situation. Today we have a kind of anarchistic individualism. People do not think, as it was once said in the United States: Ask not what your country can do for you; ask what you do for your country. Here, people are asking what can the country do for me, and not what I can do for the country. This is why I have said we must have a social pact, we must obtain the support of the people. Only with the real comprehension of our national situation will we be able to solve this situation. [passage omitted]

[Reporter] Newton Duarte, of Sao Paulo's Gazeta Television, Mr President, now that the Constituent Assembly is debating the participation of the state in the private sector, can you tell us whether you support the closure of the Brazilian market? Would you agree to the enforcement of this measure in the area of pharmaceuticals, for example?

[Sarney] This is a typical case. The closure of the market is an exception. In Congress, I voted for the computer market closure. I felt that at the time, the country had to make that decision. Yet, this is not a general rule, and it cannot be a general rule. In general, I am against the closure of markets because Brazil is a large country. In the case of the computer sector, the measure was necessary because it was intended to preserve and promote an industry that is succeeding. But we cannot take it as a general policy guideline, because Brazil is a large country. Brazil has the entire world to do business with, and Brazil has to participate in the world economy. If we adopt a measure of this type, other countries will do the same.

Our GDR is \$300 billion, but our imports are just \$11 billion. We need to increase our imports in order to increase our own production, modernize our industry, and acquire new technologies. I will therefore respond that we had to close the market, but this was an exception that cannot become a general rule. Why can't it be a rule? Because it would be harmful for our country, because it would hinder development and modernization in some sectors, and because it would prevent our country from importing new technology.

This is why we need a new policy for the industrial sector. I have asked political leaders and the minister of industry and commerce to immediately implement -- along with the Bresser plan -- a new policy for the industrial sector. The new policy should establish no preconditions for the establishment of any type of manufacturing plants and not licensing conditions, provided no subsidies or incentives are required for such plants. [passage omitted]

I would like to make another comment on industrial policy. I think we should deregulate our economy, which has too many regulations and thereby discourages investment. Now that our domestic savings are small and the state's savings are at zero, we should deregulate the economy through market deregulation, allowing for the establishment of joint-ventures [preceding two words in English] -- within Brazilian law -- through loans and through the participation of Brazilian capital. In sum, Brazil must modernize.

I talked with Socialist leader [Spanish prime minister] Felipe Gonzalez about all this yesterday, and he was shocked when I told him that 60 percent of the Brazilian economy is state-run. He told me that in Spain, a socialist nation ruled by a socialist party, in the energy sector, only the power distribution company is run by the state. He told me that as a Socialist leader, he believes that investments are the most important thing for workers, because investments generate jobs and allow the real value of salaries to grow. Without investment there are no jobs, real salaries do not grow, and the country falls into recession.

[Reporter] Josafah Dantas, of CORREIO BRASILIENSE, Mr President, the Constituent Assembly committee that analyzes the organization of the branches of government recently approved the implementation of a parliamentary system, drastically reducing presidential powers. How do you expect to govern a country in crisis with those reduced powers? If Deputy Ulysses Guimaraes is appointed prime minister, as has been suggested by the ruling party leader in Congress, will this help or hinder your work in the next few years?

[Sarney] I will refer to the experience of the countries that have either a parliamentary or a presidential system of government. At the worldwide level, the current trend is to reach a compromise between both approaches. The countries with a presidential system of government, like the United States, are trying to increase congressional control of the executive branch; while in countries with a parliamentary system, the point at issue is to strengthen both the executive branch and parliament. I believe this is the best formula. Our executive branch must be strong. A large country like Brazil, which is a federation, needs a strong executive branch, able to take immediate action to tackle pressing problems. At the same time, Brazil needs a strong parliament, able to supervise, cooperate, and do its share in the decisionmaking process. Why? Because if the parliament does not act in that way, it will return to what it was in the 19th century, a rhetorical body whose members were enthusiastic about speeches they deliver to support positions that have nothing to do with the coordination that any government must have.

I therefore believe, in keeping with the current world trends, this is precisely what we must do, and this is what I told the nation in a speech. We need a presidential system in which Congress is strong and able to supervise and cooperate. Just imagine the problems we would face if we adopted the classical parliamentary system of government in the states and in the districts, and if we modified the structure of the parliamentary system. Such a system would require efficient bureaucratic administration with skilled manpower selected on the basis of merit. It would also call for a political structure in which all sectors were represented, beginning with the rank-and-file. This system would provide the basic structure for the political parties, because we do not have a political-party tradition. Parties began to operate in Brazil at the nationwide level in 1946. Before that year, we had parties that operated in each state. This was not a very positive experience.

Therefore, my opinion is the one I gave when I addressed the nation the other day: We need a presidential system of government, but one with a strong parliament that can let its voice be heard for the adoption of government decisions, that can supervise, and that can cooperate with the government's tasks. We are for the modern trend, which seeks a balance between both systems. [passage omitted]

[Reporter] Luis Inacia, FOLHA DE SAO PAULO, Mr President, unfortunately, the trend in the Constituent Assembly does not favor a strong presidential system of government, like the one you referred to. It seems that the Constituent Assembly will enforce a parliamentary system, in which next year you will have to appoint a prime minister. Would you appoint Deputy Ulysses Guimaraes as prime minister?

[Sarney] First, the Constituent Assembly has not yet made a decision on the subject. Second, to talk about the matter would not benefit a leader like Deputy Ulysses Guimaraes, who is a great national symbol. It is not in the hands of the president to decide to talk with him about the issue now.

Let me say from the day I assumed the Presidency, the Constitution has been a top priority on my agenda. I swore before Congress that I would defend the Constitution, the law, and the integrity of Brazil. Therefore, as soon as the Constitution is approved, it will become Brazilian law. The president will continue to fulfill his duties with the same zeal. [passage omitted]

[Reporter] (Leine Lerner), of the GAZETA MERCANTIL, Mr President, in 1985 the Brazilian Government said it would not ask for IMF help and that this is a matter of sovereignty. Minister Bresser, however, has said that if the IMF agrees to his plan, Brazil may ask for IMF help, and this will mean fresh money. Does this mean that Brazil has changed its position or that the IMF has changed its mind?

[Sarney] We all have changed. I have always said that it was not Brazil that broke with the IMF 2 years ago; it was the Fund that broke with Brazil because Brazil was not complying with the terms of the letters of intent. There should not be [changes thought]...there is not a confrontation...[changes thought]...for us, the IMF is an organization that we [changes thought]...we are among the IMF's founders. Therefore, we have no prejudice against the IMF, but we do have a major difference with them regarding the policy they imposed on debtor countries. This policy sought to generate a balance-of-trade surplus to repay the debt. This was a wrong policy that burdened countries; it did not solve the debt problem; it promoted recession; and it imposed a negative condition, which was the reduction of salaries. There was only one way in which indebted countries could sell their products on the world market: by exploiting cheap manpower because they have no technology.

We do not agree with this policy, we will not accept it, and we will never accept it. By no means will we agree to that sort of condition.

Let me tell you, however, that the IMF has also changed. Some 4 weeks ago I met with the president of Brazil's second largest creditor bank, and the first thing he told me was: Mr President, you have won the war, because now we know that the indebted countries will find no solution without development and economic growth. Brazil was right.

This is what happened. Our policy, which we have justified at the United Nations, was so correct that it was followed by the Baker Plan, which included a different treatment of the debt-servicing problem. Right after that, the IMF and all international organizations agreed that there is another solution and that it calls for economic growth and development.

Therefore, the world has agreed with our position. Today, the IMF is headed by Mr Camdessus, a former minister of President Mitterrand, who heads a Socialist government.

We have no problem in talking with the IMF if the national interest is preserved. But we will never agree to these theories that plunged our country into recession for 4 years. This is the current Brazilian position at international forums.

[Reporter] Suzana Hayward, of AP, according to political leaders, you consulted with military leaders before announcing your decision to set the length of your term at 5 years. Can you explain the role the Armed Forces play in the making of major decisions by the Sarney administration?

[Sarney] I did not consult with any military leaders on the decisions I had to make because I am the commander in chief of the Armed Forces, and they have given me their support and cooperation. Thus far, we have had no problems in the military sector. The military is fulfilling its professional duties and is ready to ensure respect for the Constitution and to help with the restoration of democracy. [passage omitted]

GUIMARAES VIEWS PRIME MINISTER SPECULATION

PY171853 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 17 Jun 87

[Text] PMDB [Brazilian Democratic Movement Party] President Ulysses Guimaraes and other PMDB leaders have decided to hold the PMDB National Convention 18-19 July. The PMDB executive will meet tomorrow to consider the details of the convention. Ulysses Guimaraes has reaffirmed that he believes in a presidential system with the support of a strong congress.

When asked about the possibility of his becoming the prime minister in the Sarney administration, a thesis proposed by the government leader in the Chamber of Deputies, Deputy Carlos Sant'Anna, Ulysses Guimaraes reaffirmed his support for the presidential system and added that the parliamentary systems need to be studied further.

[Begin Guimaraes recording] I have just heard of it, but I still believe that such a system of government needs further development. I confess that because it happened in the early morning hours [words indistinct] I do not have a complete view of the proposed formula. I continue to favor the presidential system with a strong congress. In a country like Brazil, the executive branch should not find it difficult to provide the necessary answers to the country. In Italy, for instance, the situation is different. The government functions through decree-laws, 1,300 decree-laws. The government enacts decree-laws and then submits them to congress for their approval. If we look at this example we will see that Brazil needs an executive branch with powers and attributions to act with expediency to resolve the large, complex, difficult, and sometimes dangerous national problems. [end recording]

According to Guimaraes, it is untimely to propose candidates for the post of prime minister. In his opinion, it is necessary first to know what is going to prevail in the Constituent Assembly in order to plan future actions. Before that decision is made, everything is mere speculation, he said.

FRG SIGNS DEBT RESCHEDULING AGREEMENT IN BONN

LD121305 Hamburg DPA in German 1138 GMT 12 Jun 87

[Text] Bonn (DPA) -- A German-Brazilian rescheduling agreement with an overall volume of approximately DM 1.1 billion was signed today at the Bonn Foreign Ministry. The agreement, on the basis of the multilateral rescheduling protocol of the "Paris Club" of January this year, postpones interest due and the date of redemption to the years 1990-92, the Foreign Ministry said. This settlement is a contribution by the Federal Government to ease the burden on the Brazilian balance of payments, which would help to create additional maneuverability for economic and political reforms by the government.

LAT 18 Jun 87

S O U T H A M E R I C A
CHILE

N 1

FOREIGN MINISTRY REJECTS U.S. EXTRADITION REQUEST

PY180047 Santiago Domestic Service in Spanish 2300 GMT 17 Jun 87

[Relay from Chilean Foreign Ministry by Reporter Carmen Luz Parra]

[Excerpt] Chile today rejected the request submitted by the U.S. State Department for the expulsion from the country of former officers Manuel Contreras and Pedro Espinoza so they can be interrogated in the Letelier murder case. Foreign Minister Jaime del Valle gave this information to U.S. Ambassador Harry Barnes at a meeting this afternoon at the Foreign Ministry Red Hall.

The Chilean position is based on legal U.S., national, and international arguments. This resolution is included in a 5-to-6 page note. [passage omitted]

GENERAL MANUEL BARROS NAMED ARMY CHIEF OF STAFF

PY171657 Madrid EFE in Spanish 1622 GMT 17 Jun 87

[Text] Santiago, 17 Jun (EFE) -- General Manuel Barros Recabarren has been named Army chief of staff. This post ranks third in the Army hierarchy after those of Army Commander in Chief General Augusto Pinochet and Deputy Commander General Santiago Sinclair.

Barros, 59, replaces General Jorge O'Ryan, who was recently named ambassador to General Alfredo Stroessner's Paraguay. General Barros will continue to hold the post of inspector general of the Army.

PINOCHET REJECTS BOLIVIAN SEA OUTLET PROPOSAL

PY171420 Santiago Domestic Service in Spanish 1030 GMT 17 Jun 87

[Excerpts] President Pinochet has given an improvised, stern speech to the farmers of Africa. He spoke about the Bolivian proposal for a sea outlet and said this petition cannot be accepted under any circumstances. Chile cannot be sold or negotiated away, he said, adding that we are not all willing to sell or negotiate away this territory.

[Begin recorded relay from Africa] [Reporter Contreras] Chile cannot be sold or negotiated away, President Augusto Pinochet said when referring to the Bolivian request for a sea outlet that the Chilean Government rejected. Pinochet spoke on this subject after a ceremony during which he promulgated a law favoring remote Chilean areas. The ceremony was held a few minutes after his arrival in Africa, in the first region, at 2000 on 16 June.

In a brief, improvised speech, the president said:

[Pinochet, in progress]...to speak to you briefly about relations with our eastern neighbor.

Gentlemen, possibly in a hasty move, Bolivia submitted a request that cannot, under any circumstances, be accepted. Chile cannot be sold or negotiated away. Things must proceed according to logic, to the patriotism of each one of us. We are not all willing to sell or negotiate away this territory. [applause]

Each piece of land here is stained with the blood of those who died fighting for the conquest of this territory, and we will not give it away just because we are asked to or because someone gives us an order. We are sovereign [passage indistinct].

[Contreras] In his speech, President Pinochet remarked that his and the government's interest lie in the development of the region, because we want it to develop vigorously, which will favor the rest of the country.

The president made these comments after a ceremony during which he promulgated a law favoring remote zones. [passage omitted]

After the economy minister's speech, and after signing the law for remote areas, President Pinochet said that after months of study he authorized establishing free ports for private enterprises in Magallanes and for state-owned corporations in the first region.

Pinochet will conclude his tour of the region with a working breakfast with local authorities. He will return to Santiago at 1000 after inspecting the work at the Chacalluta International Airport. [end recorded relay]

AGREEMENT SIGNED TO REFINANCE FOREIGN DEBT

PY180325 Sanitago Domestic Service in Spanish 2300 GMT 17 Jun 87

[Text] Chile has signed a new financial plan for the renegotiation of its \$10.6-billion foreign debt with representatives of more than 400 international creditors banks. Finance Minister Hernan Buchi has said this agreement is recognition of the country's economic behavior, according to an AP cable from New York.

The ceremony, held at the Manufacturers Hanover Trust Bank which leads the steering committee of the Chilean creditor banks, was presided over by Hernan Buchi. He was accompanied by Central Bank President Enrique Seguel, and the main negotiator of the Chilean foreign debt, Hernan Somerville.

Buchi said the signing of the agreement took place only 3 and 1/2 months after the presentation of the plan to international creditor banks.

Buchi stated that Chile increased its noncopper exports by 25 percent in the past 6 months, and that the program to reduce the debt, which includes its capitalization, reduced the country's obligations to financial institutions to \$1.7 billion by March 1987.

Seguel stated that Chile has contributed with new ideas at the negotiating table. Somerville, however, said that the rescheduling of interest payments has allowed Chile to fulfill its obligations with no need for new loans.

Donald McCouch, executive vice president of Manufacturers Hanover Trust, termed the ceremony a cornerstone in the relationship of work and common interest between creditor banks and debtor countries.

This is the first time that the signing of a financial agreement has received the support of 100 percent of the banks.

LAT 18 Jun 87

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SOUTH AMERICA
CHILE

FURTHER ON VISIT OF PRC FOREIGN MINISTER WU

Comments on Cooperation

PY171146 Santiago Domestic Service in Spanish 2300 GMT 16 Jun 87

[Text] PRC Foreign Minister Wu Xueqian had a busy schedule today in Chile. Carmen Luz Ibarra will give us a report on his activities.

[Begin recording] [Ibarra] PRC Foreign Minister Wu Xueqian visited the copper smelting installations in Concon. Wu, who arrived in Chile last Saturday, stated during his visit that copper is a very important raw material for the development of his country. He added that in previous years the PRC purchased this metal only through intermediaries, but for the last 11 months it has been importing directly from the Chilean company.

[Wu Xueqian in Chinese with passage-by-passage translation into Spanish] Our ambassador has said that in previous years we acquired Chilean copper only through intermediaries. But last year we began to directly import Chilean copper.

I am certain that with the continuous development of the economic and trade relations between Chile and the PRC, based on the principle of equality and reciprocal benefits, the contacts and trade between Chilean and PRC companies will also grow.

[Ibarra] Wu added that in his opinion, cooperation between the two nations should not be limited to trade, but must be extended to other sectors as well, such as the technological field.

[Wu Xueqian] Moreover, our cooperation should not be limited to trade alone. It must also be extended to other sectors, such as technology. [end recording]

During his visit through the copper refinery, Wu Xueqian received a copper teardrop made by the company workers. He also talked with the company's vice president, Brigadier General Sergio Perez Hormazabal, who stressed the importance of the first copper shipment to the PRC last year, which amounted to approximately 3,000 tons.

Wu Xueqian then went to the (Las Czarinas) Country Club to lunch with the fifth region intendant, Rear Admiral Pablo Wunderlich. After his visit to the fifth region, Minister Wu returned to Santiago to meet with representatives of the Chinese community living in Chile and with leaders of the Chilean-PRC Cultural Institute, at the Sheraton Hotel.

'11 SUBVERSIVES' KILLED IN SANTIAGO CLASHES

PY161440 Buenos Aires TELAM in Spanish 1236 GMT 16 Jun 87

[Text] Neuquen, 16 Jun (TELAM) -- Eleven subversives have died in the past 24 hours following harsh confrontations with CNI (National Information Center) agents in the northern part of Santiago. This was reported by a Santiago radio [not further identified] monitored here. The radio reported that of the 11 subversives, 7 are believed to have died early this morning. The Chilean radio also reported that the operations against the subversives are being carried out in the northern part of Santiago.

INTERIOR MINISTRY DENIES ACTIVITIES OF U.S. PILOTS

PY161515 Lima Radio del Pacifico in Spanish 1300 GMT 16 Jun 87

[Text] The Interior Ministry has issued a communique denying news reports that a Republican Guard patrol has been lost in the area of Uchiza. The Interior Ministry also denied that U.S. pilots are flying their own planes in Peru. The ministry made it clear that these reports are absolutely false.

GARCIA WARNS AGAINST POSSIBLE POLICE RIOTS

PY1.1942 Buenos Aires TELAM in Spanish 1927 GMT 17 Jun 87

[Text] Lima, 17 June (TELAM-ANSA) -- In a clear reference to the threats of new police rioting next Friday, 19 June, President Alan Garcia has stated that the nation's power lies with the vote and not with those who own weapons.

In remarks to reporters, Garcia stated that he has been informed about possible action or agitation among the forces of order, but that his government will maintain discipline, authority, and order in the country.

The president described the pressure exerted by the policemen, who are demanding that the government grant them a salary increase and other benefits, as unacceptable.

This is unacceptable because if those with military power force us into making decisions or issuing decrees, we will have fallen into something that is not democracy, but just the prevalence of brute force, the president said.

In the meantime the Armed Forces Joint Command has put into operation, beginning at 0000 today, an urban counterinsurgency plan to neutralize any acts of violence over the next 4 days.

Military intelligence has recommended special operations to stop the militants of the Maoist Shining Path who are reportedly preparing subversive actions on the occasion of the 1st anniversary of the killing of 300 inmates in three Lima prisons: Lurigancho, Santa Barbara and El Fronton.

Police Confined to Barracks

PY180027 Madrid EFE in Spanish 0011 GMT 18 Jun 87

[Excerpt] Lima, 17 Jun (EFE) -- The Peruvian Government has ordered the Lima police to confine themselves to their barracks in anticipation for a new police mutiny and in view of possible terrorist actions that might be carried out on the 1st anniversary of the massacre of 300 inmates accused of being Shining Path members. [passage omitted]

Protest Movement Splits

PY171923 Madrid EFE in Spanish 0105 GMT 16 Jun 87

[Text] Lima, 15 Ju (EFE) -- The protest movement of the lower ranks of the Peruvian police forces has apparently divided into two groups with the appearance of "moderates" and "hardliners."

In a communique distributed to the media, the moderate sector, which apparently represents the majority, called for a 19 June work slowdown, but did not call for the police to leave their posts or police headquarters.

The hard sector is willing, however, to go into the streets on 19 June, as happened during the 15 to 18 May strike.

The new police protest coincides with the 1st anniversary of the killing of 300 inmates held on charges of terrorist activities in three Lima prisons. On that occasion the inmates were repressed by Army and Naval forces who took control over the mutiny.

The leaders of the two groups are currently underground.

The moderate sector recognizes as its leaders the lower rank police members Juan Cueva and Celso Pastrana, president and vice president respectively of the so-called Glorious and Combative May Police Movement.

The communique released by the moderate sector says that the new strike is to protest the government's decision to break up the talks, for not fulfilling the agreement reached at the lifting of the strike last May, and for the arrest of Cueva and Pastrana.

The communique has 15 points claiming police rights which include the right to vote, to form a union, and to strike.

According to press reports, 383 policemen were arrested during May's strike and are being tried for sedition, insubordination and other charges.

The so-called Committee of Relatives of Political and War Prisoners and Missing of Peru is going to hold a ceremony on 19 June to honor those "killed in the prisons."

PRESIDENT GARCIA DISCUSSES BLACK MARKET ECONOMY

PY180346 Lima Television Peruana in Spanish 0100 GMT 17 Jun 87

[Report on news conference by President Alan Garcia at Government Palace by unidentified reporter on 17 June]

[Excerpts] Among other topics, Garcia addressed the regionalization law, the attention the government is dedicating to the police forces, the excessive expenses incurred in state publicity, and the resignation of Central Reserve Bank [BCR] Chairman Leonel Figueroa.

Here are Alan Garcia's comments:

[Begin recording] [Passage omitted] [Reporter] Has there been any mention of a change at the BCR?

[Garcia] The BCR chairman -- the former BCR chairman -- Dr Leonel Figueroa, has tendered his irrevocable resignation. Concerning this event, I think the country must have a clear idea of what is happening or what has happened. As you know, we receive dollars for our exports. The BCR receives our export revenues. These are the official dollars, which are only used to purchase foodstuffs, equipment, and industrial components.

However, in addition to these official dollars, there are other dollars, the parallel-market or black-market dollars, most of which come from drug trafficking or from tourists who sell them on the street. These dollars are called parallel dollars and are negotiated in (Ocona) and in some money exchanges. We in the government are interested in official dollars, which the BCR has received for our exports. [recording is interrupted for 1 second and then resumes in progress] ...attach great importance to the black-market dollar because when its price is increased, it has an impact on inflation, is a cause for concern, and raises inflationary expectations. That is why it is also important to study the situation of the black-market dollars. How can we prevent the black-market dollar; that is, the dollar negotiated in (Ocona), from being overpriced? How can we prevent many people from going there to purchase black-market dollars? By earning the nation's confidence and guaranteeing that making productive investments will always be more profitable than purchasing dollars and waiting until the Peruvian currency is devalued -- speculating with Peru's crisis.

I believe, and it is my duty not to hide or ignore things, that serious mistakes have been made in handling this black-market dollar aspect. In the first place, the dollars used for industrial imports became more expensive. Industrial imports were no longer negotiated at the MUC, the United Exchange Market, but rather on the financial market. Afterward, an exchange license was established at the BCR. The industrialists understood this as a sign that the dollars were running out. However, this was not true. This prompted an eagerness to purchase dollars in (Ocona), in the money exchanges, (?increasing) pricing in view of the increase in the dollar demand.

Afterward, the BCR started to purchase dollars on the black market to increase the BCR reserves. However, in this way the only thing it did was increase the dollar demand on the black market and increase the price. Later, the BCR decided not to sell dollars any longer. This prompted a large number of customers from the BCR and other banks to go to the (Ocona) market, which increased prices even more. When the BCR became aware of this fact, it started selling large quantities of dollars through the banks, namely the famous \$4,500 which prompted so many lines and increased the people's willingness and eagerness to have dollars, without knowing why.

As a result of these measures and countermeasures, we unfortunately sacrificed tens of millions of dollars, handing them over to many people, thousands of people, who purchased dollars to have savings accounts in dollars. Thus, the BCR used or lost a large quantity of dollars by selling them to the public.

We now have to correct this. It is true that the black-market dollar can be sold at 30, 35, or 25 intis. However, the state must not sacrifice its reserves in order to artificially reduce dollar quotations. Thus, there has been an inconsistent history in the handling of all this, which at a given time, caused the black-market dollar in (Ocona) to exceed 30 intis.

I think what is essential, what the nation must understand, is that the dollars received from our oil, silver, copper, and nontraditional exports, all those dollars, are at the BCR. This amount is \$2.5 billion per year.

The other dollars, those sold in (Ocona) and in the money exchanges, are estimated at \$200 million, that is, less than 10 percent [of the official dollars].

As I have said before, this has a psychological impact on inflation because if any one of you, and surely some of you have done so, purchases dollars in (Ocona) you will pay a very high price; then, you try to compensate for that high price by charging more for your services. Attorneys, grocers, businessmen, industrialists increase their prices to compensate for the price paid for the dollars purchased in (Ocona).

In sum, I want to say that with all the dollars we received for our exports [words indistinct] by seeking to reduce prices in the black market, unfortunately mistakes have been made, for which reason, as is known, a change has been made in the BCR chairmanship. [Passage indistinct] That will be known in due time when the Congress meets because it is up to the Senate to confirm [name indistinct] as BCR president. [passage omitted] [end recording]

WAGNER TO ATTEND NONALIGNED MEETING IN DPRK

PY111526 Lima Television Peruana in Spanish 0105 GMT 11 Jun 87

[Excerpt] [Passage omitted] Foreign Minister Allan Wagner Tizon tonight leaves on a 10-day tour. He will represent Peru at three international meetings. Beginning tomorrow, he will attend the Nonaligned Movement Ministerial Conference on South-South Cooperation, which will be held in the DPRK.

ATTACKS CELEBRATE ANNIVERSARY OF TERRORISM

PY101542 Lima Panamericana Television Network in Spanish 0325 GMT 10 Jun 87

[Excerpts] Three Army soldiers and a civilian were injured today during a shoot-out with terrorists who attacked a military depot located on Grau Avenue. This attack coincided with a terrorist attack on two radio stations, and other bomb attacks recalling the 22d anniversary of the first subversive attack in Peru. [passage omitted]

Early this morning, Tupac Amaru members, apparently two young men, placed a package of explosives with a red flag and the name of their movement near the goal of a soccer field in the sports complex located in Villa Maria del Perpetuo Socorro District in Lima. It has been reported that police found the package at 0830. Later, experts from the bomb squad took the package away.

[Begin relay] This is the third block of Grau Avenue. We are half a block away from one of the Army depots, where Army soldiers and a terrorist group clashed. Here is the testimony of an eyewitness:

[Reporter] What happened here?

[Unidentified person] Apparently, terrorists attempted to throw a bomb at the depot, but it only hit the wall. Army personnel repelled the attack with several shots, but I could not see the Army station wagon very well. The station wagon stopped near the restroom, and three soldiers got out and continued to chase the terrorists. [end relay]

SANGUINETTI INTERVIEWED ON REGIONAL ISSUES

PY091700 Montevideo EL DIA in Spanish 30 May 87 p 5

[Interview with President Julio Maria Sanguinetti by unidentified reporters at Libertad Building in Montevideo on 29 May]

[Excerpts] [Question] Was the southern cone presidential summit positive for Uruguay?

[Sanguinetti] It was very positive, first because of the significance of the presidents' presence. International relations are particularly significant, and the visit of the presidents of two countries like Argentina and Brazil is, in itself, an important event. In addition, the personality of the visiting presidents and the chance that our people had to have direct contact with them and listen to them constitutes an outstanding political fact.

Second, the summit is part of an integration process in which courses of action are being confirmed and evaluations being made. Two years after the signing of the Acts of Colonia, it is important to perform an evaluation, sit at a table and say: Let's see what has happened these 2 years. It is important to review the figures, find out what is missing, what has gone wrong, where are the problems, and to make the necessary decisions. This is what has been done, and I believe the result has been outstandingly positive.

Let us take the case of Argentina. Under the CAUCE [Argentine-Uruguayan Economic Cooperation Agreement], last year we exported 524 products to Argentina, making use of 524 concessions ranging from toys and dolls to beer. A JORNAL DO BRASIL correspondent in Buenos Aires told me "now I can drink Uruguayan beer in Buenos Aires, and I like it better than the Argentine and Brazilian beer."

This is very important for our country. Seventy percent of those 524 products are exported only under the CAUCE, because they have competitive prices only in Buenos Aires and not in other markets. This means that the accords gave us access to a totally new market.

This is very important, because even though the orders for some of the exported products are for large quantities, the orders for most of the products are for \$80,000, \$100,000, or \$500,000, and this is the real basis of our exchange. We are not only exporting meat and wool. There is an entire set of products, a great variety. The list of exported items is actually surprising, ranging from liver pate, caramel dyes, beer, bovine semen, refined glycerine, plastic bags, agricultural machine tires, all types of paper, clothing, to toys. The list is so large that only small amounts are sold of each item. This is a real economic integration process that marks a structural change in our production system and in our export policy. This is the most important result we can see.

[Question] Are there still problems in the exportation of Uruguayan products to Brazil?

[Sanguinetti] Yes there are, and that is why it was very important to hold this meeting, during which we had the chance to talk over the issue both at the ministerial and at the presidential level. The important point is that the situation is normalizing. The main topics have already been solved, while a solution is being worked out for the others. For example, the corresponding authorizations for the importation by Brazil of Uruguayan clothing and textiles for approximately \$9 million, a deal that was at a stalemate, were issued yesterday. This is a specific, concrete step.

As the Brazilian president put it, what has happened in Brazil is that they were going through a difficult situation and they asked for understanding for some time, because their currency reserve suddenly dropped. But now the situation is normalizing and I see clear signs of improvement. The Brazilian president pointed to concrete facts that happened over the past 48 hours.

[Question] The agreements signed by sister republics are frequently regarded as positive. To what extent is Uruguay, America's smallest country, running a risk when signing agreements with much larger countries?

[Sanguinetti] A small country always runs the risk of being dependent. The alternatives are to promote trade with our sister republics or exclusively with the industrialized countries. In the final analysis, I believe these agreements have strengthened our independence, because we are adding new markets to the markets of the industrialized countries. In these new markets, in our neighboring countries, we operate in a much more independent fashion. In large markets like the United States or the FRG we have to compete on an open market. We do business depending on the circumstances. The new agreements we signed give us much more stability. They are not exclusionary, because we are not going to trade only with Argentina and Brazil. Our position has been considerably improved by the diversification of markets, in which 30 percent of our trade goes to Argentina, Brazil and the region, 30 percent to Europe, 10 percent to the United States, and 15 to 20 percent to other markets. The worst thing a small country can do is to rely on a single market.

[Question] The FINANCIAL TIMES said that Argentina could oppose President Sarney's offer to have Uruguay join the Argentine-Brazilian accord. What is your opinion on this contention?

[Sanguinetti] It is simply wrong, because the facts have turned out to be quite the opposite.

[Question] Will Uruguay join the Argentine-Brazilian agreements?

[Sanguinetti] It has already joined them. There isn't a tripartite agreement, because there has never been a proposal for the three countries to negotiate jointly, but on a bilateral basis. That is to say, an agreement between Brazil and Argentina, another one between Brazil and Uruguay, and another one between Argentina and Uruguay.

[Question] It has been said that this is the beginning of a Latin American integration process. What will be the next step?

[Sanguinetti] We defined the Latin American integration process from the viewpoint of a dynamic center that seeks to promote integration. There are no plans to ask other countries to join us. We are simply trying to promote a process that has always been jointly undertaken.

[Question] What concrete steps will be taken for the upcoming presidential summit of the members of the Cartagena Consensus? What action will be taken to negotiate a fixed interest on the foreign debt?

[Sanguinetti] Since there is an initial agreement among several presidents, the foreign ministries must not formulate an agenda for the meeting. The foreign ministries will establish when and how the presidents will meet. A presidential summit of this type is, in and of itself, a significant political event, because any dialogue at a presidential level is always worthwhile, just as a meeting between political leaders is also important at a domestic level. The same thing happens at the international level.

In this case, the efforts will be aimed at formulating an agenda that will outline the topics to be discussed at the meeting. The work is now in the hands of the foreign ministries, which will choose the topics for discussion.

As for the interest rates, we have formulated a proposal from the Venice summit. This proposal, which includes a general view of the situation, will be followed by other decisions that will be made in keeping with the new developments.

The events of the past 2 years show that this must be a continuous, permanent effort. All circumstances must be used to improve debt terms.

[Question] There is some confusion about the presidential summit. It was said initially that it would be a meeting between the presidents of the eight nations comprising the Contadora and the Contadora Support Groups. Now it is said that the meeting will be a summit of the Cartagena Consensus.

[Sanguinetti] It is the so-called Group of Eight. There is a little confusion about this.

[Question] In your opinion, what is the significance of the visit to the United States that Uruguayan Foreign Minister Enrique Iglesias began yesterday, during which he will reportedly meet top-ranking U.S. officials?

[Sanguinetti] Our diplomatic relations with the United States are very important. Our financial relations with that country are also very important. Our political relations are very significant. Obviously, any dialogue with the United States will always be important because of this country's importance. We agree on several points, just as we have many discrepancies. The foreign minister's visit will update the discussion of all those topics. Not only on the financial aspects, which are basically dealt with by officials of the economic sector, but on our views of domestic and international issues in general.

If we were to give a name to those talks, we could call them something like: Importance of financial and commercial issues for Latin American democratic stability.

[Question] Has there been any consideration of the possibility of joint action by the countries of this region to solve the problems stemming from the foreign debt and from protectionism?

[Sanguinetti] We have undertaken joint action through the Cartagena Consensus.

[Question] Did the presidents review the institutional problems that both Argentina and Brazil experienced almost simultaneously, the individual problems of each country, and the relations with the Armed Forces?

[Sanguinetti] In general terms, but not in detail. [passage omitted]

[Question] How do interest rate hikes affect Uruguayan estimates? Is there any initiative or plan to ask creditor banks to amend the terms of the existing agreements?

[Sanguinetti] There are clear and direct effects. Each interest rate hike translates into a need for more currency. The issue, which is obviously complex, is being discussed. However, we do not think it is impossible to solve. The issue is being studied.

[Question] The media have said that the foreign debt agreement that Uruguay negotiated with creditor banks is very good. Yet the terms of this agreement have already been superseded by the accords reached by other countries, like Mexico and Argentina, who have negotiated a reduction of the spread [preceding word in English] that they pay on the LIBOR [London Inter-Bank Offered Rate] rate. Are there any plans to consider this situation?

[Sanguinetti] It should be understood that debt refinancing accords are being agreed upon, and that we have made progress over the past 2 years. Each refinancing agreement has been better than the previous one. When we negotiated our own accord, it marked a qualitative change, because it was far better than any previous one. From then on, other countries managed to improve some terms, like Mexico and Argentina. I would not say the concessions are accumulating, because Mexico obtained improvement only in some areas, just as Argentina obtained improvement in some areas and got nothing in others. When refinancing a debt, you cannot choose everything you want from the menu, because this, although very attractive, would be unfeasible. It should be noted, however, that the countries refinancing their debts now have sustained considerable losses because they did not do so before. That is to say, they have begun enjoying this advantage only now, while Uruguay, which negotiated 1 year ago, has enjoyed improved conditions throughout this period. This is undoubtedly very important. Compared to other countries, Uruguay has saved a considerable amount during this period. Our position now is to see whether we can improve the debt terms. The advantage we won in the past may not seem to be an advantage now; in a couple of years we should see who really managed to get more out of all this. I personally believe that we renegotiated our debt at the correct time. Now we have to try to improve those terms even further. I reiterate that this is not easy, because an agreement has already been made; yet it is not impossible, and the proposal is being formulated.

[Question] The three presidents have stressed the advantages of negotiating fixed interest rates, which shows the willingness to continue servicing the debt. Aren't the payments on interest and the consecutive refinancing accords hindering the reactivation of the industrial and agro-industrial sector? Isn't it a disadvantage for our economic development?

[Sanguinetti] It is a disadvantage, but it is not insurmountable. Facts show not only that it is possible to refinance the debt but that to refinance it is the only chance to achieve growth. Proof of this is last year's 6 percent growth of the GNP. The other alternative is financial isolation. No country, not even Cuba or Romania, has chosen this option. All countries have sought a refinancing formula, because financial isolation would have been a greater burden than debt refinancing.

The important thing is to improve refinancing terms, in order to avoid those unfortunate situations in which interest rates grow after a period of instability.

This depends on a very important international situation; the trade relation between the United States and Japan. The U.S. balance-of-trade deficit, caused mainly by its trade with Japan, has influenced interest rates and has promoted world instability.

[Question] Now that the Uruguay round of talks has been launched at the GATT, the United States has cast doubts over whether this is the right organization through which to channel trade, despite the fact that this organization accounts for 80 percent of world trade. What do you think about all this?

[Sanguinetti] The important thing is to negotiate, to engage in a dialogue, and to keep the doors open. We have promoted those negotiations in good faith, and that is how we will join them.

We also believe there is more understanding now than there was 2 or 3 years ago, when there was not even an idea of what was happening in Latin America. The understanding of the situation has improved and this is reflected by facts; that is why the refinancing terms have gradually improved.

[Question] How has the Uruguayan economy been affected by the price reduction of our raw materials?

[Sanguinetti] The price slump of agricultural products is far more serious than the influence of interest rates. It is more serious than what was once the oil price slump (now oil prices have again risen), and far more serious than the growth interest rates.

It is the most serious and difficult problem we are confronting.

[Question] Can Uruguay, Brazil, and Argentina collectively negotiate on items that are produced by the three of them?

[Sanguinetti] It is unfortunately very difficult. Markets are open and it is very difficult to negotiate about meat, milk, or wool, all of which are sold on different markets. It is really very difficult.

[Question] Is the Latin American common market, like the EEC, a feasible alternative?

[Sanguinetti] That is not the point. What I am saying is that it is difficult to jointly negotiate on products that are very different.

[Question] What is your opinion of the decision by the major U.S. banks to increase their reserves in case of a possible debt crisis?

[Sanguinetti] During a news conference a few days ago, President Alfonsin said regarding this issue that there were two possible evaluations, a positive one and a pessimistic one, and that his reply had two different meanings. On one hand, the banks can be already considering the possibility that many countries will not repay their debt and are, therefore, making provisions. On the other, the banks can be unwilling to provide fresh money. I personally have an optimistic view; that is, I think it is positive the banks realize that we are talking about interest payments, that we are no longer talking about repaying principal, and that there may be losses which will affect either principal or interest (it does not matter which one, because the important thing is that they will be actual losses). These banks are the same one that used to say "we will get our money back one way or the other, by hook or by crook." Today, however, those banks are saying "well, there are losses, this deal has already produced this much loss." When banks the size of the banks which have adopted the measure you have referred to begin to say, "this year I am ready to lose this much," it means that they have the positive attitude of recognizing that there are losses either in interest, principal, or in whatever sector, and that they accept them. I believe this attitude is much more positive than negative.

[Question] But Uruguay has obtained fresh money, hasn't it?

[Sanguinetti] Yes, Sir. [passage omitted]

HOYTE CRITICIZES IMPORTS, FAVORS LOCAL PRODUCTS

FL161553 Bridgetown CANA in English 1438 GMT 16 Jun 87

[Text] Georgetown, Guyana, June 16, CANA -- President Desmond Hoyte has hit out at the craving for irrelevant imports and stressed the need to use local foods, local raw materials and local products. [sentence as received]

There is need to eschew, as far as practicable, things foreign, he told a two day conference on the problems of economic development in Guyana which ends today.

Nothing is more inimical to orderly development than a craving for irrelevant imports, be they foreign goods or foreign life-style he told the opening session of the conference being sponsored by the Faculty of Social Sciences, University of Guyana. He said this problem of the craving for things foreign is readily recognised when dealing with material imports but it is far more pervasive than that.

People build houses, for example, with designs and architectural features that are totally incongruous with our climatic conditions and physical environment he said, adding that he has even seen houses here with artificial fire places. And referring to the increasing number of North American and European-type houses in Guyana, he called on the conference to consider how this mindless copying inhibits the country's architects from applying their minds to the development of models that take the fullest advantage of our climatic conditions and our building materials.

He said that in trying to understand this problem, it must be realised that the country was not in the realm of logic or economics or any of the learned disciplines but that we are up against human behaviour and people's response to the diverse influences which affect their minds.

The president added: High-powered advertisement, using the most advanced and sophisticated techniques, can persuade people that acting against their self-interest in fact promotes their own best interest, that by imitating others they truly project their own personality. We need to recognise the nature of this struggle and protect ourselves from its undesirable consequences.

We have to do our own thinking and make up our own minds about where our self-interest lies and what we have to do to secure it. We must not fall into the trap of believing that other people's developmental experiences and models could be automatically transferred to, or be useful in, our situation.

President Hoyte also told the conference, whose theme is Progress is an Attitude, that however one looks at it, development is inseparable from certain mental attitudes. He said very often the price which people have to pay for development is nothing more than having to change acquired tastes and attitudes.

ROK AGREES TO PURCHASE BAUXITE, MAKE INVESTMENTS

FL121746 Bridgetown CANA in English 1439 GMT 12 Jun 87

[By Courtney Gibson]

[Text] Georgetown, Guyana, June 12, CANA -- South Korea has agreed to buy up to 10,000 tons of Guyana bauxite, well informed sources said today.

The value of the deal was not given, but the price was described as "attractive." The purchase agreement is one of the highlights of recent talks here between a 19-man trade and economic mission from Seoul and local government and private sector officials, a source close to the talks told CANA.

Under the bauxite agreement signed between the Seoul firm Cho Sun Refractories and Guyana's state-run Bauxite Industry Development Company (BIDCO), the Koreans will buy immediately up to 10,000 tons calcined grade bauxite.

Should they be satisfied with the quality of the product, there will be further discussions between the two parties about additional supplies, the official said.

He said the Koreans had also agreed in principle to become involved in a gold mining joint-venture and to help develop an industrial estate here.

The five days of talks with mainly private sector representatives here were held as a follow-up to similar discussions earlier this year when a smaller Korean team visited Guyana.

The official said one Korean firm expressed interest in pooling resources with the state-run Guyana Mining Enterprise Ltd (GUYMINE) for the commercial development of the gold deposits in the Marudi mountains in Guyana's vast hinterland. The name of the foreign firm was not given.

GUYMINE and a Brazilian firm, Noranda Co. had been conducting exploratory work in the Marudi mountains, but the foreign firm reportedly pulled out because of financial difficulties leaving GUYMINE alone to complete the exercise. GUYMINE is now scheduled to complete the exploratory work next month and will be engaging in more detailed discussions with the South Korean company.

The proposed industrial estate, whose location is to be determined by the local private sector organisation, the Guyana Manufacturers Association (CGMA) and the Guyana Manufacturing and Industrial Development Agency (GUYMIDA) will provide for the setting up of 10 small to medium-size plants geared for producing high value added products largely for the export market. The range of products will include pens, pencils, running shoes and boots.

The industrial estate, it was agreed, will have its own independent supply of electrical power and water and will also be a joint-venture involving South Korean firms and the local private sector.

The sources here said further discussions with the South Koreans are planned when a 10-man team from Guyana visits Seoul next month at their invitation.

The official said a rigid schedule for continued discussions has been agreed upon and in keeping with it, other South Koreans also expressed interest in exporting fabric and equipment for the textile industry to Guyana and in purchasing 100,000 cubic metres of logs over a two-year period. The discussions in these two areas are to be continued.

BOUTERSE, LABOR UNIONS FORM NEW PARTIES

PM161341 Amsterdam DE VOLKSKRANT in Dutch 9 Jun 87 p 3

[Wim Noordegraaf dispatch: "First Meeting of Bouterse's New Party Draws 5,000"]

[Excerpts] Paramaribo —In Paramaribo Sunday [7 June] around 5,000 people attended the meeting to found the National Democratic Party (NDP), through which Army and government head Bouterse will take part in the elections.

Chairman Derby of the C-47 trade union federation has also announced the foundation of a new political party. Together with members of the CLO [Central Organization for Civil Service Employees] civil servants' union and the teachers' unions he will take part in the elections with the Surinamese Labor Party (SPA).

The NDP's chairman and leading candidate will be present Prime Minister Wijdenbosch. His caretaker cabinet's main task is the preparation of the 30 September referendum on the new draft constitution and the organization of the 25 November elections. "It is nonsense to say that the NDP is my party," Bouterse said in his speech to the meeting. "I am an ordinary member and am simply lending a bit of a hand."

After much trumpeting the official proclamation was read aloud by a young woman, thus emphasizing that the NDP is mainly aiming at young voters. Initially, the party will be represented by a group of young people, women, agricultural workers, and a single minister from the 25 February Movement, the political arm of Army leader Bouterse, who will now chiefly concern himself with the "support of the revolutionary process."

If it is up to the new party, the election campaign will be dominated by the competition between the old political parties, which have in the past had their base in racial differences, and the NDP, which wants to organize all Surinamers "regardless of race, creed, and color." This rivalry can be seen in the fact the party's next meeting coincides with a mass gathering in which the three old parties will announce their fusion. As a result an old tradition in Surinamese political life will be resurrected: Rival parties hold meetings on the same day in order to outdo each other with attendance figures. [passage omitted]

Fred Derby, chairman of the progressive C-47 trade union federation, has also announced the foundation of a new party. The initiative comes from C-47 members and members of the civil servants' and teachers' unions. The party will be called the Surinamese Labor Party.

According to Derby, the SPA will continue the line of active involvement by the workers movement in political life. "This began in the thirties, underwent a revival during the actions of nationalists in the sixties, and since the army takeover in 1980 the trade unions have supplied government ministers," Derby said. Among those taking the initiative for the new party are Education Minister Lie Fo Sjoie and Justice Minister Gilds. [passage omitted]

C-47, CLO Form Workers Party

FL161955 Paramaribo International Service in English 1730 GMT 16 Jun 87

[Text] The Workers Party of Suriname isn't formed by the C-47 and CLO trade unions, but by the people. This was stated by Henrick Sylvester, one of the founder members of the party, during its first informative meeting in the Nickerie district last Friday.

He said the Workers Party is a democratic party and no one who is connected to the CLO or C-47 is [3 second transmission break]. During the same meeting another founder member, Fred Derby, pointed out that a workers party is no election committee, but an action party. According to Derby, the Workers Party will not only work during election, but will always be in motion. Some 6,000 forms have been sent out into circulation, and there are advertisements in the newspaper through which the people could get their mandate to the initiating group for the foundation of the party.

MOEDERBOND TRADE UNION UNDECIDED ON POLITICAL ROLE

FL161909 Paramaribo International Service in English 1730 GMT 16 Jun 87

[Text] The Moederbond Trade Union federation has not yet decided at the manner in which it will take part in the political life of Suriname. The Moederbond, of which the late NPS [Suriname National Party] Chairman and former Prime Minister Johan Adolphus Pengel had been chairman for years, is of the opinion that trade unionism and politics should be separated. During the past 6 years the trade union movement has, however, been taking part in political activities and is now even participating in the top deliberating council, the highest political organ in the country. After meeting last Friday, the advisory board of the Moederbond made some proposals to the executive of the union, which said it will first consult with its membership before taking a decision. The Moederbond is a member of Ravaksur, the Council of Trade Union Federations in Suriname. It is at the initiative of individuals from Ravaksur who are members of the other two federations, namely, CLO [Central Organization for Civil Service Employees] and C-47, that the Workers Party of Suriname will be established in the near future.

4 ARRESTED IN LABOR UNREST AT TIMBER COMPANY

FL171950 Paramaribo International Service in English 1730 GMT 17 Jun 87

[Text] Four workers at a Brownsveg timber company were arrested on Monday night by police for stirring up certain actions at the plant. For some time now the company has been faced with unrest which was sparked by disciplinary measures taken by management against 20 workers. The Brownsveg workers, however, feel that these measures are unjust and have formed an action committee to make their protest known. In a letter to the manager, the action committee accuses him of exercising highhanded behavior and hostile attitude against the workers. Also an ultimatum was submitted for the reversal of a decision to dismiss 3 workers and suspend 17 others. The ultimatum expired yesterday with the management refusing to budge. Following the expiration of the ultimatum some workers yesterday took actions aimed at motivating the night shift into a work stoppage. This prompted the management to call in the police, who arrested the four men. The immediate cause of this conflict, according to the action committee, is the writing and presentation of a letter signed by about 600 employees. The letter concerns their welfare facilities fund, which has been dragging on for some time now. The workers want this matter settled once and for all.